**CONTRACT FOR WORK OF CONSTRUCTION OF THE CZECH REPUBLIC PAVILION AT THE INTERNATIONAL REGISTERED EXHIBITION EXPO 2025 IN OSAKA**

**17 April 2024**

**CONTRACT FOR WORK OF CONSTRUCTION OF THE CZECH REPUBLIC PAVILION AT THE INTERNATIONAL REGISTERED EXHIBITION EXPO 2025 IN ÓSAKA**

*in accordance with the related provisions of the Act No. 89/2012 Coll., the Civil Code between:*

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| **Česká centra**  |  |
| With registered office at: | Václavské náměstí 816/49, Zip No. 110 00, Prague - Nové Město, Czech Republic |
| ID No.:  | 48546038 |
| Bank account no.: | 27639031/0710, IBAN: CZ29 0710 0000 0000 2763 9031, maintained at Czech National Bank  |
| Person acting on its behalf: | Ondřej Soška, Commissioner General of the Czech Republic's participation at the International Registered Exhibition EXPO |
| (hereinafter referred to as the "**Client**") |  |
|  |  |
| and |  |
| **DAISUE CONSTRUCTION CO., LTD.** |  |
| With registered office at:  | 2-5-28, Kyutaromachi, Chuo-ku, Osaka, Japan |
| ID No.: | 5120001083408 |
| Tax ID No.: | T5120001083508 |
| Bank account no.: | Bank of Mitsubishi UFJ, Semba Branch, 005 (Osaka Sales Department), Current Account 0018142  |
| Person acting on its behalf: | [XXX][XXX][XXX]  |
| (hereinafter referred to as the "**Contractor**") |  |
| (hereinafter, the Contractor and the Client are also collectively referred to as "**Parties**" and individually as "**Party**") |
| **RECITALS** |
| WHEREAS |
| 1. The Client is a state-funded institution established by the Ministry of Foreign Affairs of the Czech Republic with the purpose to promote and support the good reputation of Czech Republic abroad and to strengthen cultural relations between countries. From the year of 2023 The Office of the General Commissioner of the Czech participation at the General World Exposition EXPO (in Czech: "*Kancelář generálního komisaře účasti České republiky na Všeobecné světové výstavě EXPO*") has been part of the Česká centra network;
 |
| 1. By the Participation Contract concluded on 25 October 2022 (hereinafter referred to as the “**Participation Contract**”) between the Czech Republic and the Expo 2025 Agency (hereinafter referred to as the "**Coordinator**"), lease of the Land at the Exhibition Grounds designated for the International Exhibition EXPO 2025 in Osaka (hereinafter referred to as the "**EXPO**") was provided to the Czech Republic free of charge, which is designated for the construction and operation of the pavilion and expositions of the Czech Republic at the EXPO;
 |
| 1. For the purpose of an excellent representation of the Czech Republic at EXPO through exhibitions in accordance with the designated national theme "**Talent and creativity for the future**", the Client wishes to ensure the construction of the pavilion and the exhibitions of the Czech Republic at EXPO in accordance with the Client's Requirements through an entity selected in accordance with Act No. 134/2016 Coll, on Public Procurement, as amended (hereinafter referred to as the "**PPA**"). Therefore, the Client announced the initiation of the public procurement procedure entitled "**Zhotovitel pavilónu EXPO 2025 Ósaka //** **Contractor for the pavilion EXPO 2025 Osaka**" in an announcement No. F2024-006885 made in the Public Procurement Bulletin dated 12 February 2024, the procurement procedure was conducted through the Client's profile in the National Electronic Tool (NEN) under the system number N006/24/V00005366, wherein the Client specified its requirements for the implementation of this performance (hereinafter referred to as the "**Procurement Procedure**");
 |
| 1. The Contractor has received conceptual scenario of the Pavilion (hereinafter referred to as the "**Conceptual Scenario**") as part of the Procurement Procedure, which was developed by **Apropos Architects s.r.o.**, ID No. 05410509, with its registered office at Pardubická 878, Chrudim IV, 53701, Chrudim (hereinafter referred to as the "**Apropos**");
 |
| 1. The Contractor is bound to construct, complete, handover and;
 |
| 1. The Contractor's bid was carefully selected in the Procurement Procedure as the most advantageous.
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|  |
| **NOW THEREFORE**, on the day, month and year set forth below, the Parties hereby enter into this Contract for construction of the Czech Republic Pavilion at the International Registered Exhibition Expo 2025 in Osaka (hereinafter referred to as the "**Contract**"). |

1. DEFINITIONS

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| Apropos | Apropos Architects s.r.o., with its registered office at Pardubická 878, Chrudim IV, 53701, Chrudim, ID No. 05410509. |
| Binding Provisions | mean:1. any effective generally binding legal regulation which is part of the Czech legal system; and
2. the relevant binding guidelines, methodologies and other regulations by which the Client and/or the Contractor is bound, provided that they are publicly available or that their existence has been notified and their content has been made available to the other party; and
3. the Participation Contract concluded between the Client and the Coordinator; and
4. any binding regulations applicable at the place of performance of the Contract, including any binding applicable rules and regulations issued by the Coordinator in relation to the EXPO, which are provided to the Contractor by the Client during the term of this Contract, and binding technical standards applicable at the place of performance of the Contract.
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| Civil Code | Act No. 89/2012 Coll., the Civil Code, as amended. |
| Client | Česká centra with registered office at Václavské náměstí 816/49, Zip No. 110 00, Prague - Nové Město, ID. No. 48546038. |
| Client's Requirements | The minimum functional, technical and other requirements for the Pavilion, its operation, and the specific requirements of the expositions as set out in Annex 2 to this Contract, and other such requirements of the Client determined in accordance with this Contract. |
| Contract | Contract for construction of the Czech Republic Pavilion at the International Registered Exhibition Expo 2025 in Osaka. |
| Contractor | DAISUE CONSTRUCTION CO., LTD., with registered office at 2-5-28, Kyutaromachi, Chuo-ku, Osaka, Japan, ID No. 5120001083408. |
| Coordinator | Expo 2025 Agency as defined at the letter B. of the Recitals of this Contract. |
| EXPO | International Exhibition EXPO 2025 in Osaka. |
| Handover Protocol | means handover protocol confirming the finalisation of the first two stages of Work under Articles 2.3(a) and 2.3(b) of this Contract, as further defined in Article 5.2 of the Contract. |
| Land | Land designated by the Coordinator for the construction and operation of the Pavilion, including related areas, as indicated in Annex 4 to this Contract. |
| Logbook | construction log kept by the Contractor as defined in the Article 3.5 of this Contract. |
| Operation Period | period between handover of the Pavilion and delivery of the notice on readiness of the pavilion to be removed as set forth in Article 4.1 of this Contract. |
| Pavilion | set of buildings located on the Land. |
| Permit | any permits, consents, approvals, certificates or authorisations required by the Binding Provisions and any necessary third-party consents, in particular planning permissions, building permissions and occupancy permits required for the execution of the Work, irrespective of who is required by the Binding Provisions to be their owner. |
| PPA | Act No. 134/2016 Coll, on Public Procurement, as amended. |
| Procurement Procedure | procurement procedure entitled "Zhotovitel pavilónu EXPO 2025 Ósaka // Contractor for the pavilion EXPO 2025 Osaka" in an announcement No. F2024-006885 made in the Public Procurement Bulletin dated 12 February 2024, the procurement procedure was conducted through the Client's profile in the National Electronic Tool (NEN) under the system number N006/24/V00005366, wherein the Client specified its requirements for the implementation of this performance. |
| Project Documentation | means any drawings, specifications, reports, formulas, calculations, software and other documents and data necessary or pertinent provided by Apropos for construction of the Work, as per Annex 3 to this Contract. |
| Project Manager | means the project manager for the construction of the Pavilion as defined in Article 9.6 of this Contract. |
| Schedules | mean 1. Import schedule; and
2. Construction schedule;

As further defined in Article 5.1 of this Contract. |
| Solution Study | Study of the Pavilion containing text and graphics, a model of the Pavilion at a scale of 1:100 prepared by Apropos. |
| Themes | The EXPO themes "Designing Future Society for Our Lives" and the national exposition "Talent and creativity for the future", which are further elaborated in Annex 1 of this Contract |
| VAT Act | Act No. 235/2004 Coll., on Value Added Tax |
| Warranty | contractual Warranty for defects of the Work as defined in the Article 7.1 of this Contract. |
| Work | Means1. Import of all supplies and materials required for construction of the Pavilion to the Land, including acquiring all the required import licenses and payment of fees of any kind;
2. Construction of the Pavilion on the Land in accordance with the Project Documentation including acquiring of all permits and authorisations of authorities of the organising country required for use of the constructed Pavilion by the Client.
 |
| Work Price | the full price of Work as described in Article 6.1 of this Contract. |

1. Subject Matter of the Contract and Work Specification

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| * 1. The Contractor undertakes to duly and timely perform the Work specified below for the above-specified purpose and under the conditions agreed in this Contract.
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| * 1. The Client undertakes to accept the duly performed Work from the Contractor and to pay the agreed price for it. Complete Project Documentation forms an Annex 3 to this Contract.
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| * 1. In this Contract, Work means:
 |
| 1. Import of all supplies and materials required for construction of the Pavilion to the Land, including acquiring all the required import licenses and payment of fees of any kind;
2. Construction of the Pavilion on the Land in accordance with the Project Documentation including acquiring of all permits and authorisations of authorities of the organising country required for use of the constructed Pavilion by the Client.
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1. CONSTRUCTION OF THE PAVILION

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| * 1. The Client shall hand over the Land to the Contractor within the land handover deadline which is set on the date of 22 April 2024. The Contractor shall request from the Client the necessary information and documents required to execute the Work on the Land in accordance with this Contract.
 |
| * 1. The Contractor is responsible for the actual site equipment required for the execution of the Work, including power supply. The Client may, at the Contractor’s request, provide the Contractor with the services required by the Contractor upon handover of the Land (electricity, storage areas, water supply point, etc.) subject to its capabilities, but the Contractor shall pay the costs incurred by the Client in providing these services to the Contractor. The Contractor undertakes to implement appropriate technical and organisational measures to ensure the health and safety protection of all persons on the site and site equipment.
 |
| * 1. The Contractor shall analyse the Project Documentation upon receiving it. If any inaccuracy or incompleteness is discovered, the Contractor shall notify the Client within [XXX] days from receipt of the Project Documentation. If the Project Documentation allows for more than one solution or if the specifications allow the Contractor to choose the method of execution of the works, the Contractor shall make an enquiry to the Client without undue delay after he finds out or could have found out this fact, but in any case, no later than before the commencement of the relevant works. The solution chosen by the Client is binding on the Contractor. The Contractor's obligation under Section 2594 of the Civil Code, as well as its liability in the event of a breach thereof, shall remain unaffected. If the Contractor carries out such work without having first made the relevant enquiry to the Client, the Client may reject such work, have it removed and have it carried out again at its own discretion and at the Contractor's expense.
 |
| * 1. The Contractor shall carry out the Work in accordance with the Themes, the Client's Requirements, the Solution Study, the Project Documentation, the Binding Provisions, the Schedules, the Client's instructions and with due care and to the highest standard.
 |
| * 1. The Contractor shall keep a construction log (hereinafter referred to as the "**Logbook**") throughout the execution of the Work, to record data relating to the execution of the Work. The Logbook shall be available for inspection, recording and copying by the Client. The Logbook shall include in particular the subcontractors, a summary of contractual documents and official statements, a summary of individual tests and inspections, records of defects and their rectification. Entries in the Logbook shall not be deemed as an amendment to this Contract.
 |
| * 1. The Client is entitled to inspect the execution of the Work at any time during its progress with a prior notice. The Client is obliged to inform the Contractor of such inspection at the latest at the commencement of such inspection. The Client is authorised to delegate the inspection right under this Article 3.6 of this Contract to the other parties (mainly inspections of compliance with work and safety regulations and technical and construction regulations). The Contractor undertakes to allow the Client to inspect the work carried out which cannot be inspected later due to their nature, e.g. covering. The Contractor shall rectify any inspection findings within a reasonable time as specified by the Client. For the avoidance of doubt, the Binding Provisions on the consequences of failing to point out defects in the Work in time shall not apply. The Contractor is obliged to provide any and all reasonable assistance with the inspection under this Article 3.6 of this Contract.
 |
| * 1. All supplies and materials shall be new (except for supplies and materials that are not visible) and of the best quality. Should defective or poor-quality supplies and materials be encountered and require testing, the cost of such testing shall be borne by the Contractor. However, if the testing results show that the supplies and materials are not defective or of poor quality, the costs of the tests shall be borne by the Client. No other supplies and materials shall be used nor any unilateral changes to the Work deviating from the Project Documentation shall be made without the prior written consent of the Client. The Client undertakes to provide the Contractor with all reasonable assistance in order for the Contractor to import necessary supplies and materials for construction of the Pavilion, in particular, to acquire the import licenses. Such assistance may include (i) issuing confirmations, (ii) providing contacts, or (iii) attending to the required meetings.
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| * 1. The Client has the right to stop the execution of poor-quality works and reject defective or poor-quality supplies and materials and to request their replacement or repair free of charge. At the Client's request, the Contractor shall provide samples of the supplies and materials used, inform of their sources or suppliers and allow inspection of the supplies and materials before they are installed.
 |
| * 1. The Contractor undertakes to carry out the Work in coordination and cooperation with other contractors, subcontractors and all other persons involved in ensuring the participation of the Czech Republic at the EXPO to the greatest extent possible.
 |
| * 1. The Contractor undertakes to prepare a draft modification of the Work according to the Client's requirements, in the event that such change to the Work and quotation is accepted in writing by the Client, the Contractor undertakes to carry out the change to the Work in accordance with the terms of this Contract, as amended by such change. However, any request from the Client regarding defect in the Work and which the Contractor is thus obliged to perform by virtue of its obligation to perform the Work properly is not deemed to be a request under this Article 3.10. Any changes must be in accordance with the Binding Provisions, in particular with the PPA. For the avoidance of any doubt Parties agree that until the written acceptance is delivered to Contractor, he shall not initiate work on any modifications, nor shall he be rewarded for any works that were not accepted in writing by the Client.
 |
| * 1. The Contractor undertakes to immediately inform the Client and in any case no later than [XXX] hours after becoming aware of the occurrence of an event which would affect the Contractor’s ability to meet the deadlines according to the Schedules.
 |
| * 1. The Contractor is entitled to assign the performance of the Work or a part thereof to a subcontractor only with the prior written consent of the Client and only after the Contractor proves that the subcontractor has agreed in writing to comply with the relevant obligations of the Contractor under this Contract.
 |
| * 1. Article 3.12 does not apply to the subcontractors listed in Annex 6 to this Contract. The Contractor is entitled to change the subcontractor listed therein, through which it has certified a part of its qualifications under the Procurement Procedure, only for exceptional and objective reasons and with the prior written consent of the Client. The new subcontractor must have qualifications to the same or greater extent as those demonstrated by the original subcontractor on behalf of the Contractor. The Client may not refuse approval to a change of subcontractor without objective reasons, provided that the relevant documents are submitted to the Client within the specified time limit.
 |
| * 1. During the execution of the Work by the subcontractor, the Contractor is liable to the Client for any part of its obligations under the Contract so performed as if it had performed them itself. For the avoidance of doubt and for the purposes of this Contract, any act of the subcontractor shall be deemed to be the act of the Contractor.
 |
| * 1. The Contractor shall use only such supplies and materials, and methods of execution of the Work whose characteristics in terms of the Work’s suitability for the intended purpose guarantee that the Work, when properly executed and commonly maintained during its expected lifetime, meets the requirements for mechanical strength and stability, fire safety, hygiene, health and environmental protection, safety in use, protection against noise and for energy saving and heat protection in accordance with the requirements of generally binding legal regulations.
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1. REMOVAL OF THE PAVILION

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| * 1. At the end of the Operation Period, the Client shall notify the Contractor that the Pavilion is ready for removal and restoration of the Land to its original condition.
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1. PERIOD OF THE EXECUTION OF THE WORK

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| * 1. The Work as set forth in Articles 2.3(a) and 2.3(b) of this Contract shall be completed no later than on 1 April 2025. The Contractor undertakes to complete the Work in accordance with (i) import and (ii) construction schedules which form Annex 5 of this Contract (hereinafter referred to as the “**Schedules”**). The Contractor undertakes to comply with the Schedules provided by Apropos which shall contain a detailed schedule for the execution of the Work and individual inspection days.
 |
| * 1. The Contractor shall perform the Work in accordance with the Schedules. Upon completing the Work concerning Articles 2.3(a) and 2.3(b) of this Contract, including acquiring of all required licenses and authorisations required for proper use of the constructed Pavilion by the Client, the Parties will execute a handover protocol (hereinafter referred to as the “**Handover Protocol”**). The Contractor shall invite Client for handover procedure in writing, at least [XXX] days in advance. The Handover Protocol shall include the following information:
 |
| * + 1. Date, place and time of handover of the Pavilion;
		2. All relevant documents and data required for use of the Pavilion;
		3. Reservations to the executed parts of Work, if applicable;
		4. Date in which any discovered defects shall be removed; and
		5. Attachment in the form of simple copy of the Logbook.
 |
| * 1. If the Client has reasonable doubt that the Contractor will not meet the deadlines and time limits agreed in this Contract and/or Schedules, upon the instruction by the Client, the Contractor shall increase the number of workers, machines, other auxiliary materials, etc. without undue delay and at its own expense’. Examples of such reasonable doubt may include, without limitation:
 |
| * + 1. Substantial differences towards finalisation of the pavilions of other participants of EXPO;
 |
| * + 1. Report of either construction or technical supervisor stating substantial issues with the completion of the Pavilion;
 |
| * + 1. Reports of authorities of the hosting country, regarding substantial issues with construction of the Pavilion;
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| * + 1. Reports or complaints of the Coordinator, regarding the progress or process of the construction of the Pavilion;
 |
| * + 1. Cessation of the work without reasonable grounds;
 |
| * + 1. Repeated delays with replies to requests for information of Client;
 |
| * + 1. Unreasonable requests of the Contractor for amendments of the Pavilion; or
 |
| * + 1. Unreasonable requests of the Contractor for additional works.
 |
| * 1. In the event that the Client has a reasonable doubt that the Contractor will not meet the deadline according to the Schedules, the Client shall be entitled to have the delayed work carried out by a third party at the Contractor’s expense. For avoidance of any doubt, the completion of the delayed work carried by the third party as per Article 5.4 therein of the Contract shall have no effect on either validity, effectiveness nor the right of the Client to claim such Warranty as per Article 7 of this Contract.
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| * 1. In case of a change on the part of the Coordinator regarding the EXPO, the Contractor shall react to this change in cooperation with the Client to the greatest extent possible.
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1. PRICE OF THE WORK

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| * 1. The total price for the performance of the Work under this Contract is agreed by the Parties as the lump sum amount of CZK 199,544,697.80 without VAT (hereinafter referred to as the "**Work Price**"). The VAT regime shall be applied in accordance with the Binding Provisions. For the purposes of VAT, the Parties consider that the Work is considered as real estate work, i.e. a structure fixed to the ground, which cannot be easily dismantled or moved, and therefore the place of performance is governed by Section 10 of Act No. 235/2004 Coll., on Value Added Tax (hereinafter referred to as the "**VAT Act**") (i.e. the performance is not subject to the Czech VAT). Detailed description of the Work Price is attached to this Contract as an Annex 7 in the form of itemised budget.
 |
| * 1. The price of the Work is complete, final and cannot be exceeded. The price of the Work includes the full and complete cost of timely performance of the complete Work and the fulfilment of the Contractor's obligations under this Contract, all in the quality and completeness set forth in this Contract, including the Contractor's documentation, documents for performance of the Work, duties, (administrative) fees and taxes. The Work Price also includes fees for ecological disposal or deposit of waste generated during the execution of the Work, transportation costs and all transport of supplies and materials, storage and safekeeping of all items required for the execution of the Work, assembly equipment, scaffolding, safety, security and fire protection measures, the cost of site clean-up, set-up, operation, cleaning, and dismantling of site equipment, charges for consumed energy, the cost of transporting workers to the site, domestic and foreign travel, all tests, inspections, completion and insurance of the Work. The price of the Work shall not be subject to any changes in inflation and exchange rates during the term of this Contract.
 |
| * 1. The Client shall pay the Work Price in accordance with the Schedules. The Contractor shall be entitled to payment of the relevant part of the Work upon due completion of all stages preceding such payment in the Schedules.
 |
| * 1. Each part of the Work Price is due on the basis of an invoice – a tax document issued in accordance with the Binding Provisions, which must include the Client's confirmation of compliance with the obligations in accordance with the previous Article 6.3.
 |
| * 1. The invoice is due within thirty (30) days of the date of delivery to the Client. In the event that any invoice for performance in a particular calendar year is received by the Client after December 15 of that calendar year, the due date of such invoice shall be extended to ninety (90) days from the date of receipt. The fulfilment of the payment obligation occurs when funds are sent from the Client's account.
 |
| * 1. In the event that the invoice does not contain all the necessary requirements and attachments or otherwise does not comply with the terms of this Contract, the Client is entitled to return it to the Contractor without the Client being in default with this payment. In this case, the invoice shall be deemed not to have been issued and a new due date shall begin upon receipt of the correct invoice.
 |
| * 1. The Parties agree that if the Client deploys the procedure under Section 109a of the VAT Act (special method of securing the tax), such procedure shall be deemed, to the applicable extent, as the fulfilment of the Client's obligation to pay VAT under this Contract.
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1. WARRANTY & REMOVAL OF DEFECTS

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| * 1. The Contractor shall provide a contractual Warranty for defects of the Work. The content of the Warranty is as follows:
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| 1. Contractor guarantees that the Work shall conform to the Contract specifications and Client’s Requirements, shall be new, unused and without defects.
 |
| 1. In addition, the Contractor guarantees that the Work will be free from defects in supplies and materials or workmanship arising under proper and normal use for sixty (60) months from the date handover of the Work.
 |
| * 1. In the event of a defect substantially impeding the use of the Pavilion by the Client or its visitors, the Contractor shall commence repairs within [XXX] hours following a notification by the Client or following the event discovered by the Contractor. In the event of a defect that does not substantially impede the use of the Pavilion, the time limit for commencing repairs is extended to [XXX] days. If the materiality of the defect is disputed or unclear, the purpose and intent of this Contract is to be applied in an alternative.
 |
| * 1. Without prejudice to the provisions regarding Warranty obligations of the Contractor, in case of occurrence of any damage to the Work, which is not covered by the Warranty, Parties have agreed, that the Contractor shall commence repairs within [XXX] hours following a notification by the Client or following the event when the Contractor discovered. In the event of a defect that does not substantially impede the use of the Pavilion, the time limit for commencing repairs is extended to [XXX] days. The Contractor is required to provide the Client the estimated costs of the repair and to obtain a written confirmation from the Client first.
 |
| * 1. In case of repairs executed by the Contractor under Article 7.3 of this Contract, Parties have agreed that the Contractor shall deliver the invoice including detailed description of works to and time spend on the repair works. The invoice for payment of the repair works is due within thirty (30) days of its delivery to the Client.
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1. Contractor's declaration and security

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| * 1. The Contractor declares that it is professionally, materially, in terms of its personnel and otherwise, equipped and prepared to perform the agreed Work under the agreed conditions, in the required quality and timeframe, while respecting all Binding Provisions. It undertakes to carry out the Work only with the assistance of persons sufficiently qualified and trained to do so.
 |
| * 1. The Contractor shall, at its own expense, take out third-party liability insurance (incl. non-material harm) with a reputable insurance company with a Standard & Poor's rating of BBB+ or higher, with a limit of indemnity of EUR 10 million at least; and shall keep such insurance, including the limit of indemnity, in force throughout the term of this Contract. The Contractor agrees to provide the Client with proof of payment of the insurance policy in favour of the Client within [XXX] days prior to the date of commencement of the Work. The Contractor shall also take out insurance for the period during which it bears the risk of damage to the property under this Contract (Article 9.1).
 |
| * 1. At any time during the term of this Contract, the Contractor shall promptly notify the Client in writing of any event that would result in a reduction of insurance coverage and amend the insurance into compliance with the Contract within [XXX] days. If the Contractor breaches its obligation under Clause 8.2 of this Contract, such obligation may, upon notice to the Contractor, be discharged by the Client at the Contractor's expense and at the same time set it off against any claims of the Contractor against the Client.
 |
| * 1. Prior to signing the Contract, the Contractor has delivered to the Client one or more irrevocable and unconditional bank performance guarantees payable on first call without objection issued by a solvent reputable bank with its registered office in the Czech Republic, in the amount of 10% of the Work Price, valid until 13 April 2026. If the amount of the bank guarantee falls below the amount required by this Contract, the Contractor shall, within [XXX] days from the date on which such event occurred or was notified about it, replenish the amount of the Bank Guarantee in cash to the original determined amount. In the event that the Contractor fails to meet its obligation to replenish the bank guarantee to the original amount, the Client is entitled to draw down the full amount of the bank guarantee immediately and to hold the relevant amount until the Contractor has met the stated obligations. The Client may, at its sole discretion and decision and upon the Contractor's request, accept another form or method of comparable security *in lieu* of a bank guarantee with the specified requirements under this Article 8.4. Should any dispute arise between the Parties, the Contractor undertakes to prolong the duration of the performance guarantee under this Article of the Contract for the time of duration of the dispute. In case of failure to comply with the obligation to prolongate the performance guarantee the Contractor shall pay contractual penalty in the amount of [XXX]% of the Work Price to the Client.
 |
| * 1. The Contractor is aware of the fact, that the area in which Work will be executed is considered tectonically active region in which there were recorded occurrences of earthquakes and tsunamis as well as volcanic activity. The Contractor shall take this information into account while executing the Work.
 |

1. miscellaneous

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| * 1. The Contractor shall bear the risk of damage to the Work for the entire period of performance of the Work until the handover of the Pavilion, when the risk of damage shall pass to the Client.
 |
| * 1. The title to the Work or its parts passes to the Client at the moment of attachment of the relevant parts to the Work. This is without prejudice to Article 9.1 of this Contract.
 |
| * 1. The Contractor undertakes that the Client will be entitled to use all the materials and supplies used for the construction of the Work to the extent necessary for the fulfilment of this Contract and its purpose. The Contractor undertakes to indemnify the Client against any claims made by third parties against the Client by virtue of possession or ownership of the materials and supplies or rights used by the Client with the performance of this Contract.
 |
| * 1. All documents prepared by the Contractor under this Contract must be issued in English and Japanese language. If the Binding Provisions require a different language version, the Contractor shall also provide this language version. In case of any discrepancies between the language versions, the English language version shall prevail.
 |
| * 1. If the Contractor is in default in the performance of any obligation under this Contract and does not remedy the default even within the additional period specified by the Client in a written notice, the Client is entitled to fulfil such obligation on behalf of the Contractor at the Contractor's expense. The Client may set off the costs incurred in this way against the Contractor's claims against the Client by notifying the Contractor of the grounds for the set-off with supporting documents. Should the consequences of Force Majeure as per Article 10 of this Contract occur on or after the Contractor was already in default in the performance of any obligation under this Contract, he may not benefit from the Force Majeure clause.
 |
| * 1. The Contractor shall appoint a project manager for the construction of the Pavilion (hereinafter referred to as the "**Project Manager**"), whereby the Project Manager must be proficient in the English and Japanese language at a communicative and professional level so that they are especially capable of communicating on the location of the Work implementation site with the concerned persons and authorities. If the persons referred to in this Article do not comply with the terms of this Contract, the Client is entitled to request their replacement and the Contractor shall comply with its request within [XXX] days from the date of the notification by the Client, unless the Client specifies a different longer period or the Client provides a translator at the Contractor's expense.
 |
| * 1. [XXX], is and will be the Project Manager for the duration of the Work. The Contractor undertakes to ensure the presence of the Project Manager, at the location of the Work construction on a 24/7 basis, unless specified by the Client otherwise. The Contractor is entitled to arrange for an equally qualified substitute of the Project Manager to be present at the Work construction location instead of the original Project Manager. The Contractor shall demonstrate the qualifications of the substitute to the Client prior to his appointment and the Client reserves the right to refuse the substitute in justified cases. The Contractor shall disclose the name of the Project Manager to the Client prior to commencement of the Work.
 |
| * 1. The Client is entitled to set off his claims against the Contractor and to assign his claims to a third party. The Contractor shall not be entitled to assign this Contract nor his claims to a third party or to use subcontractors for its performance other than those identified in the tender or expressly approved by the Client.
 |
| * 1. Save for events of Force Majeure stated in Article 10, the Contractor assumes the risk of any change of circumstances.
 |
| * 1. The Parties undertake to maintain confidentiality and not to disclose to third parties any information obtained during the performance of their obligations under this Contract, the Parties' services, technology, know-how, personal, financial or other information about the Party that is not publicly available, all during the term of this Contract and after its termination. The obligation of confidentiality shall not apply if the affected Party has given its prior written consent or if Binding Provisions provide so.
 |
| * 1. The Contractor acknowledges that, without the written consent of the Client, it is not entitled to refer to itself as a contractual partner of the Client when promoting or presenting itself and its activities, in particular it is not entitled to hold its own press conferences related to the EXPO without the presence of a representative of the Client.
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1. force majeure

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| * 1. Neither Party shall be liable for failure of performance of its obligations affected by a “Force Majeure” event (defined below) and its consequences under the Contract as so long as a relevant event of Force Majeure and its consequences continues and to the extent that such Party’s performance is prevented, hindered or delayed by such event or circumstance. This is without prejudice to the Article 9.5 of this Contract. Force Majeure shall mean an event:
1. Which is beyond a Party’s control;
2. Which such Party could not reasonably provided against before entering into the Contract;
3. Which, having arisen, such Party could not reasonably have avoided or overcome; and
4. Which is not substantially attributable to the other Party.

Force Majeure may include, but is not limited to, exceptional events or circumstances of the kind listed below, so long as conditions (a) to (d) above are satisfied: 1. War, hostilities (whether war be declared or not), invasion, act of foreign enemies;
2. Rebellion, terrorism, revolution, insurrection, military or usurped power, or civil war;
3. Riot, commotion, disorder, strike or lockout by persons other the employees of the Contractor and subcontractors;
4. Munitions of war, explosive materials, ionising radiation or contamination by radio-activity, except as may be attributable to the Contractor’s use of such munitions, explosives, radiation or radio-activity; and
5. Natural catastrophes such as earthquake, hurricane, typhoon or volcanic activity.
 |
| * 1. The Parties shall take all reasonable steps to overcome and minimize the consequences of Force Majeure. The Parties shall endeavour to continue to perform their obligations as far as reasonably practicable. Despite the Force Majeure event, the Parties shall use their reasonable efforts to perform the Contract in accordance with Work Schedules. Such efforts may involve rescheduling or acceleration of Works or other steps to expedite progress in order to overcome the effects of Force Majeure. The Contractor shall inform the Client about any variation which could, in the Contractor’s opinion, remove, mitigate or alleviate the consequences of Force Majeure. In connection with any event of Force Majeure, the Contractor and the Client shall reasonably cooperate to prevent delays and minimize additional costs or any other consequences.
 |
| * 1. The Party that wishes to plead Force Majeure shall notify the other Party, referring to this Article 10 of the Contract, without undue delay but no later than [XXX] days after becoming aware of the occurrence of an event constituting Force Majeure (also including the time it began and its probable duration) and shall provide evidence (to the extent available) to that effect.
 |
| * 1. The Party affected by Force Majeure shall notify the other Party of the fact that the Force Majeure event ceased to exist without undue delay but no later than [XXX] days after becoming aware of such fact.
 |
| * 1. If Work and/or any obligation under the Contract are prevented, hindered, delayed or affected by reason of a Force Majeure event, including any delay of the any other milestone as specified in the Contract and/or Schedules to the extent, that Client may consider the execution of work may be substantially threatened, due to event of Force Majeure lasting more than [XXX] days, and in Clients opinion there is another contractor, which would be able to complete the Work in due time, the Client may withdraw from the contract with immediate effect. The Parties understand and agree to this provision and expressly proclaim to understand the importance of the Works to be completed duly and on time due to the fact of the Pavilion being of international importance.
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1. DISPUTE RESOLUTION

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| * 1. Any disputes arising from this Contract shall first be resolved amicably by the Parties through negotiation in which the Pavilion manager, appointed by the Client, shall also participate, if required by the Client, for a period of [XXX] days after the receipt by a Party of a notice from the other Party of the existence of the dispute (“**Settlement Period**”), to settle the dispute by amicable settlement between the Parties.
 |
| * 1. If it is not possible to resolve the Parties' dispute within the Settlement Period according to the preceding paragraph, all disputes arising from or in connection with the Contract will be finally resolved in arbitration proceedings before the Arbitration Court attached to the Economic Chamber of the Czech Republic and the Agricultural Chamber of the Czech Republic by three (3) arbitrators in accordance with the Rules of that Arbitration Court.
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1. contractual penalties

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| * 1. The Contractor shall pay the following contractual penalties to the Client for each individual violation of:
 |
| 1. the obligation under Article 7.2 of this Contract, i.e. to commence the repair of the defect within the time limits specified herein in the amount of CZK [XXX] for each hour of delay;
 |
| 1. the obligation under Article 8.2 of this Contract, to take out third-party liability insurance in the amount of CZK [XXX] for each day of delay;
 |
| 1. the obligation to keep substantial data regarding the construction within the Logbook as per Article 3.5 of this Contract in the amount of CZK [XXX] for each day of the delay with filing of any such substantial data;
 |
| 1. the obligation under Article 5.1 of this Contract, i.e. to carry out the Work according to the Contract and/or individual items of the Schedules in the amount of CZK [XXX] for each day of delay;
 |
| 1. the obligation under Article 3.10 of this Contract, i.e. to prepare a draft of modification of the Work for the Client in the amount of CZK [XXX] for each day of delay;
 |
| 1. the obligation under Articles 3.12 and 3.13 of this Contract, i.e. to use only permitted subcontractors in the amount of CZK [XXX] for each day of delay;
 |
| 1. the obligation under Article 9.6 of this Contract, i.e. to replace the relevant persons upon request in the amount of CZK [XXX] for each day of delay;
 |
| 1. the obligation under Article 9.7 of this Contract, i.e. to ensure the presence of the agreed Project Manager at the Work site on 24/7 basis in the amount of CZK [XXX] for each individual day;
 |
| 1. the confidentiality obligations under Articles 9.10 or 9.11 of this Contract in the amount of CZK [XXX].
 |
| * 1. The contractual penalties agreed in Article 12.1 of this Contract, were agreed with the following purposes:
 |
| * + 1. The attendance of the Czech Republic at EXPO is a matter of international prestige. Any delay with design and/or construction of the Pavilion may prove an international embarrassment for the Czech Republic. It is absolutely vital for all Work to be executed duly, on time and in a pristine quality.
 |
| * + 1. Any use of subcontractors, which were not agreed to by the Client may cause unforeseen damage to the attendance of the Czech Republic at EXPO including damage to the reputation.
 |
| * + 1. In accordance with experience of Client, attendance of relevant personnel at the construction site may not be underestimated and lack of supervision often causes unforeseen issues at construction of the Pavilion.
 |
| * + 1. The public releases regarding the attendance of the Czech Republic at the EXPO are solely with competence of the Client. Any uncoordinated press releases (or other public releases) may cause unforeseen damage to the official representation of the Czech Republic at EXPO.
 |
| * 1. The Client shall pay the Contractor interest on late payment of the Contractor's invoice issued in accordance with this Contract in the amount of [XXX] % per annum.
 |
| * 1. In the event that the Contractor breaches its obligation under Article 8.4 above of this Contract, the Client shall be entitled to a decrease of the Work Price in the amount in which the bank guarantee was not provided in breach of this Contract.
 |
| * 1. The claim for complete contractual penalties under this Contract shall be in addition to the Client’s right to claim damages.
 |
| * 1. Contractual penalties under this Contract are due within fifteen (15) days of the delivery of the respective invoice.
 |
| * 1. The Client is under no duty to claim a contractual penalty including compensation for damages and is entitled to consider whether or not to claim the contractual penalty and compensation for damages. The Client is also entitled to, at its own discretion reduce the amount of a contractual penalty. The Client shall take into account in particular the circumstances of the claim for contractual penalty, the gravity of the situation or whether the defect or contractual obligation that has been breached has been rectified, etc. The Client undertakes to avoid malice and will assess any claim for a contractual penalty in relation to the gravity of the consequences and the overall circumstances.
 |

1. COMPLETION AND INSPECTION
	1. Upon completion of the Work, the Contractor shall confirm that the Work has been executed in compliance with the Themes, the Client's Requirements, the Solution Study, the Project Documentation, the Binding Provisions, the Schedules and the Client's instructions, and shall ask the Client for a final inspection.
	2. If the Work does not pass the inspection under Article 13.1, the Contractor shall repair or correct the Work within the period specified by the Client and then ask the Client for an inspection.
	3. The Contractor shall remove the temporary construction facilities, clean up the site, and take such other actions as appropriate within the period specified in the Schedules; provided, however, that if the Client issues instructions to the Contractor as to how to take such actions, the Contractor shall comply with such instructions.
	4. If the Contractor delays in taking any actions described in Article 13.3 and, even after having received notice from the Client, still fails to carry out such actions without a justifiable ground, then the Client may take such actions in lieu of the Contractor and charge any costs therefor to the Contractor.
2. ADDITIONAL INSPECTION
	1. In addition to the inspections described in Article 13, if, in the Client’s Requirements, Projection Documentation or Schedules, the Contractor is required to undergo an inspection conducted by the Client, the Contractor shall, prior to such inspection, confirm that any executed portion of the Work has been executed in compliance with the Themes, the Client's Requirements, the Solution Study, the Project Documentation, the Binding Provisions, the Schedules and the Client's instructions, and shall notify the Client thereof, and the Client shall promptly inspect such portion of the Work in the presence of the Contractor.
	2. If the Work does not pass the inspection described in Article 14.1, the Contractor shall promptly repair or correct the Work and shall request the inspection by the Client.
3. DAMAGE to third party

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| * 1. If any damage is caused to a third party due to execution of the Work, the Contractor shall indemnify and hold harmless said third party from and against such damage arising from said execution of the Work; provided, however, that the Client shall be liable for such damage to the extent that the damage has arisen from causes attributable to the Client.
	2. Notwithstanding Article 15.1, the Client shall be liable for damage caused to a third party due to noise, vibration, ground settlement, interruption of ground water, or other causes beyond the control of the Contractor even if it exercises due care and attention in execution of the Work.
	3. In any of the cases described in Article 15.1 or 15.2, or any other disputes with a third party arising out of or relating to execution of the Work, the Contractor shall settle any of them; provided, however, that the Client shall assist the Contractor if it is difficult for the Contractor alone to settle them.
	4. The Client shall, with the assistance of the Contractor, if necessary, settle any dispute with a third party or matter of damages to a third party caused by obstruction of sunlight, radio waves, or wind arising out of the Work itself or by any other ground attributable to the Client. In this case, the Client shall be liable to said third party for any damage caused thereby.
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1. Client’s right of voluntary suspension

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| * 1. During the period in which the Contractor has not completed the Work, the Client may, if necessary, suspend the Work or cancel the Contract by notifying the Contractor thereof in writing. In such a case, the Client shall compensate for any loss or damage arising out of or related to such suspension or cancellation.
	2. The Client may cause the Contractor to recommence the Work suspended in accordance with Article 16.1 by notifying the Contractor thereof in writing.
 |

1. CONTRACTOR’S right TO SUSPEND WORK

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| * 1. If any of the following events occurs, and if the Contractor demands that the Client make the cause of the events cease to exist in writing by specifying a reasonable period of time but the ground does not cease to exist, the Contractor may suspend the Work; provided, however, that in the case of event (d) below, a demand to the Owner shall not be required.
1. The Client delays in making payment in accordance with Article 6.3;
2. Execution of the Work is impossible because the Client fails to make the site available for use of the Contractor;
3. The Work is materially delayed due to any ground attributable to the Client, besides the grounds described in events (a) or (b) above; or
4. Execution of the Work is impossible because of Force Majeure.
	1. The Contractor shall recommence the Work if the grounds for suspension described in Article 17.1 cease to exist.
	2. If the Client is found unable to pay the Work Price due to any ground such as suspension of payment, including but not limited to dishonouring any drafts, promissory notes or checks issued by the Client due to shortage of funds (hereinafter referred to as “**Grounds**”), the Contractor may suspend the Work by notifying the Client thereof in writing, If such Grounds then cease to exist, Article 17.2 shall apply.
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1. termination

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| * 1. The Client may withdraw from this Contract in the event of a material breach by the Contractor. The failure to meet the deadlines set out in the Schedules by more than [XXX] days or a repeated (more than 3 times) failure to meet the Schedules shall be deemed as a material breach.
 |
| * 1. The Client is entitled to withdraw from this Contract:
 |
| 1. in the event of the initiation of insolvency proceedings against the Contractor; or
 |
| 1. if it is evident from the circumstances that the Contractor will not be able to ensure proper performance of the subject matter of this Contract.
 |
| * 1. The Parties expressly agree that it shall not be a material breach of this Contract and a ground for withdrawal from this Contract by the Contractor if the Client is in default in the payment of the Work Price or any part thereof due to default by the Contractor.
 |
| * 1. In the event of early termination of this Contract, the Client is entitled to decide to take over the achieved results of the Contractor's activities under this Contract and to pay the Contractor a proportionate part of the Work Price set out in Article 6.1 of this Contract after deduction of the damage caused to the Client, in particular the costs according to the following paragraph.
 |
| * 1. In the event of early termination of this Contract, the Contractor shall reimburse the Client for the costs incurred upon completion of the Work by a third party, including the cost of selection of the third party.
 |
| * 1. The Contractor does not have the right to withdraw from this Contract on the grounds of disagreement with the Client's instructions. However, if the Contractor informs the Client in writing of the inappropriateness of a given instruction and the Client nevertheless insists on its implementation, the Contractor shall not be liable for an eventual defect in the Work caused by the execution of such inappropriate instruction of the Client.
 |
| * 1. The termination of this Contract shall be without prejudice to provisions which, by their nature, must continue to bind the Parties after the termination of the Contract in light of the purpose of this Contract, i.e. the excellent representation of the Czech Republic at the EXPO through exhibitions in accordance with the specified national theme. For the avoidance of doubt, in addition to the provisions under Section 2005 of the Civil Code, these include in particular the relevant licensing arrangements, contractual penalties, dispute resolution clause and the authorisation to complete the Work.
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1. notices and delivery

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| * 1. Any notice, request or other communication to be given or made to a Party under this Contract shall be given or made in writing. Such notice, request or other communication shall, except as otherwise stipulated in this Contract, be deemed to have been duly given or made to the other Party if it is delivered by hand, registered post, courier or email (except that email cannot be used to claim defects or to withdraw from the Contract) to the address of the relevant Party set out below or to such other address which the relevant Party may specify in the notice given to the other Party:
 |
| Client: Česká centraAddress: Václavské náměstí 816/49, 110 00 Prague 1, Czech RepublicAttention of: [XXX][XXX] Email: [XXX] |
| Contractor: DAISUE CONSTRUCTION CO., LTD.Address: 2-5-28, Kyutaromachi, Chuo-ku, Osaka, JapanAttention of: [XXX]Email: [XXX]  |
| * 1. The abovementioned addresses and telecommunications connections may be changed by unilateral written notice delivered by the concerned Party to the other Party.
 |
| * 1. Any document delivered via email in accordance with the Article 19.1 of this Contract is considered delivered on the third (3) day following the day in which it was sent from the sender to the recipient.
 |
| * 1. The Contractor shall take into account time zone difference between the place of performance of the Contract and Czech Republic. In case of dispute regarding delivery of the documents, all documents are to be evaluated under time zone of Central European Time (CET).
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1. final provisions

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| * 1. This Contract is governed by Czech law, excluding the application of Sections 1764, 1765, 1766, 1793, 2050 and 2437 of the Civil Code.
 |
| * 1. The following annexes form an integral part of this Contract:
 |
| Annex 1 | Talent and creativity for the future concept / Designing Future Society for Our Lives |
| Annex 2 | Minimum technical requirements of the pavilion and specific requirements of the expositions |
| Annex 3 | Project Documentation |
| Annex 4 | Land |
| Annex 5 | Schedules |
| Annex 6 | List of subcontractors |
| Annex 7 | Itemised budget |
| * 1. All amendments and addendums to or cancellation of this Contract upon agreement of the Parties may be made only by written and chronologically numbered amendments signed by both Parties.
 |
| * 1. Should any provision of the Contract become partially or wholly invalid or unenforceable, the validity or enforceability of the remaining provisions of this Contract shall not be affected. In such case, the Parties shall agree on its replacement by a new provision which as closely as possible corresponds to the objectives and purposes of the invalid or unenforceable provision.
 |
| * 1. The Contract is prepared in 2 (two) counterparts.
 |
| * 1. This Contract becomes valid on the date of its unconditional signature by both Parties. This Contract becomes effective on the date on which the Contractor delivers to the Client the original of one or more irrevocable and unconditional bank performance guarantees payable on first call without objection in accordance with the Article 8.4 of this Contract. The Contractor agrees with the mandatory publication of this Contract in accordance with Section 219(1) the PPA.
 |
| * 1. Both Parties declare that the entire contents of this Contract have been agreed upon and in witness whereof they affix their signatures below.
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|  |
| *[The signatures are attached on the following page]* |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| In: | Prague |  | In: | Prague |
| On: | 17 April 2024 |  | On: | 17 April 2024 |
| **Česká centra** |  | **DAISUE CONSTRUCTION CO., LTD.** |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Name: [XXX]Position: [XXX] |  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Name: [XXX]Position: [XXX] |
|  |  |  |