# CONTRACT AGREEMENT

# PROJECT TITLE: CONSTRUCTION OF SERBIA PAVILION AT EXPO 2025 OSAKA KANSAI

# CONTRACT NUMBER: xxxxxx

**THIS CONTRACT AGREEMENT** is made the **xxxxxxx** day of **Xxxxxxx** 202**x**

**BETWEEN**

**XXXXXX** (hereinafter referred to as “**Client**"); and

**XXXXXX**, (hereinafter referred to as “**Client’s Representative**)”**.**

**WHEREAS** the Client's Representative has entered into a contract (the “**Contract Agreement**”) with **Xxxxxxx** (the “**Client**”) to carry out the Works in respect of the Project, particulars of which are set out in Schedule 1 for the CONSTRUCTION OF SERBIA PAVILION AT EXPO 2025 OSAKA KANSAI (the Works) to be executed and completed for the sum of:

**xxxxxxx only (xxxxxxx )** (+ 10% Japanese VAT) (the **Contract Price**).

**NOW IT IS AGREED as follows**:

1. The following documents shall form and be read and construed as part of the Contract:
   * + 1. this Contract Agreement
       2. the Specifications and the Drawings,
       3. the Quotation (BOQ or Bill Of Quantity),
2. The Client's Representative shall develop a detailed programme fully compliant and in line with all execution of Works, reporting and milestone requirements of the programme submitted under the this Contract and accepted by the Client, as discussed over negotiation period and agreed in mobilisation period during all on boarding phase with Expo 2025 Osaka’s Departments.
3. In consideration of the execution and completion of the Works object of this Contract, the Client hereby agrees to pay the Client's Representative the Contract Price at the times and in the manner prescribed by this Contract.
4. The Client warrants to the Client's Representative:
   * + 1. that all workmanship shall conform strictly to the standards laid down in the scopes of work object of this Contract and, if no such standards are laid down, to the best accepted international standards of current professional construction and contracting practice, and
       2. that the Works shall not be defective or incomplete by reason listed in this Contract or by reason of:
          1. incorrect selection or quantities of materials or equipment;
          2. faulty materials, equipment or workmanship;
          3. incorrect or incomplete designs or other documents for which the Client's Representative is responsible;
          4. inadequate Site supervision by the Client's Representative or incorrect instructions issued by the Client's Representative ; or
          5. any act or omission of the Client's Representative or its employees, agents or representatives.
5. The Client's Representative shall, in a timely manner:
   * + 1. observe and comply with all laws, ordinances, regulations, rules, by-laws, codes and statutory requirements (as in force from time to time) including those relating to safety, environmental protection, the carrying out of Works, the employment of workers or otherwise applicable to the execution of the Works;
       2. obtain and maintain all permits, consents, authorisations, inspections, approvals or any other requirement related to the Client's Representative’s performance of this Contract and pay all fees and other expenses required to enable the Client's Representative to carry out this Contract.
6. This Contract shall be governed by and construed in accordance with the laws of Japan. Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration, which Rules are deemed to be incorporated by reference into this clause:
   * + 1. The number of arbitrators shall be three.
       2. The seat, or legal place, of arbitration shall be Japan.
       3. The language to be used in the arbitral proceedings shall be Japanese and English.
       4. The governing law of this contract shall be the substantive law of Japan.

**IN WITNESS** whereof the authorised representatives of the Client and the Client's Representative have signed this Contract Agreement on the date stated at the beginning of this Contract Agreement.

**SIGNED** for and on behalf of

**Client: XXXXXX**

in the presence of: **Xxxxxxx**

**SIGNED** for and behalf of:

**Client's Representative: XXXXXXX**

in the presence of: XXXXXX

CONDITIONS OF CONTRACT

**INSTRUCTIONS AND COMMUNICATIONS**

* 1. **C****o****m****m****u****n****i****c****a****t****i****o****ns in Writing**

All communications between the Client and the Client's Representative shall be in writing including any notice, request, submission, decision, consent, approval, comment, valuation, agreement, opinion and instruction and shall be effective on the date that they are delivered by hand or by registered post or by fax to the address of the relevant party or as otherwise duly notified and where the Client has supplied a copy template form to use for a specific purpose pursuant to this Contract (including, but not limited to, the Client's Instruction Form and the Variation Form), that form must be used. If the correct form is not used the communication shall not be valid.

* 1. **C****o****n****t****r****a****c****t****C****onfidential**

The Client's Representative shall treat this Contract, and any other documents and information provided by the Client pursuant to this Contract, as private and confidential and, except where strictly necessary for the purposes of this Contract, shall not disclose the same to any third party without the prior consent of the Client. The Client's Representative shall impose an equivalent condition on all its Suppliers and Subcontractors.

* 1. **L****a****n****g****u****a****g****e****a****nd Calendar**

This Contract shall be interpreted and construed in accordance with the English language. All correspondence, Drawings, Specifications, operating and maintenance instructions and other documents and communications shall be written in English. All references to dates or periods of time shall be construed in accordance with the Gregorian calendar.

**ASSIGNMENT AND SUB-CONTRACTING**

* 1. **A****s****s****i****gnment**

The Client's Representative shall not assign this Contract or any part thereof or any benefit or interest therein without the prior consent of the Client.

**CONTRACT DOCUMENTS**

* 1. **D****o****c****u****m****e****n****t****s****a****n****d** **Discrepancies**

All documents comprising this Contract shall be treated as complementary and it shall be the duty of the parties to warn each other of any error, omission or discrepancy of which they become aware and (within the scope of their agreed roles, expertise and responsibilities) to put forward proposals to resolve any such error, omission or discrepancy fairly and constructively without increasing the Contract Price, delaying the Time for Completion of Dismantling phase or adversely affecting the quality of the Works.

**SUPPLY AND CUSTODY OF DOCUMENTS**

* 1. **C****o****p****i****e****s****o****f****Specifications provided by the Client's Representative**

The Client's Representative shall provide to the Client free of charge two (2) copies of the Specifications and other documents issued by the Client's Representative in accordance with his scope of work, one (1) copy of which shall be kept by the Client's Representative on the Site and shall be available at all reasonable times for inspection and use by any person authorised by the Client.

* 1. **Client's Representative** **’****s****Notice of required Drawings and Specifications**

The Client's Representative shall give reasonable prior notice (being in any event not less than seven (7) days) to the Client whenever planning or progress of the Works may be delayed or disrupted unless any further Drawing or Specifications or other document is issued by the Client and the Key Dates Schedule. Such notice shall include details of the Drawing or Specifications or other document required and why and by when it is required and of any delay or disruption likely to be suffered if it is late.

**SUPPLEMENTARY DRAWINGS AND CLIENT’S REPRESENTATIVE DRAWINGS**

* 1. **D****r****a****w****i****n****g****s****a****n****d****S****p****e****c****i****f****i****cations issued by the Client's Representative**

If necessary and requested by Client, the Client's Representative shall provide during the progress of the Works such further Drawings and Specifications or other documents as shall be agreed in the Key Dates Schedule at the times stated in the Key Dates Schedule or otherwise as shall be necessary for the proper and adequate execution of the Works at such times as shall be reasonable in all the circumstances. The Client’s Representative shall comply with the requirements set out in such further Drawings, Specifications and other documents which shall become part of the Contract.

* 1. **D****e****t****a****i****l****o****f****Client's Representative's Drawings and Specifications**

The Client's Representative shall prepare the Drawings and Specifications and other documents in sufficient detail to satisfy all regulatory approvals and to provide Client's Representatives’ employees, agents, and subcontractors with sufficient instructions to execute the Works, and to describe the operation of the completed Works.

**CLIENT’S REPRESENTATIVES RESPONSIBILITIES**

* 1. **Client's Representative****’****s****G****e****n****e****r****al Responsibilities**

The Client's Representative shall, subject to the provisions of the Contract, and with due care and diligence, execute the Works and provide all resources and labour, supervision, materials, goods, equipment, workmanship, Temporary Works, Client's Representative’s Equipment and all other things, whether of a temporary or permanent nature, required in and for such execution and specified in or reasonably inferred from this Contract, and shall be fully responsible for all aspects of the adequacy, stability, security and safety of the Works and the Site and all Site operations and methods of construction.

* 1. **C****h****e****c****k****i****n****g****o****f****S****i****t****e Investigations**

The Client's Representative shall check all Site investigations prepared or provided by the Client for the part of the Works object of this contract and shall be responsible for the results of such Site investigations as if they had been prepared by or for the Client's Representative . The Client shall take no responsibility for any information contained in the Site investigation reports.

* 1. **S****a****t****i****s****f****a****c****t****i****o****n of Client**

The Client's Representative shall execute the Works in accordance with this Contract to the satisfaction of the Client.

**SITE**

* 1. **I****n****s****p****e****c****t****i****on of Site**

The Client's Representative shall be deemed to have inspected and examined the Site and its surroundings and to have satisfied itself, as to the nature of the ground and sub-soil, the prevailing climatic conditions, the form and nature of the Site, the extent and nature of all work, materials, goods and equipment necessary for the execution of the Works, the means of communication with and access to the Site, the Client's Representative’s Equipment and facilities it may require and in general to have obtained for itself all necessary information as to risks, contingencies and all other circumstances influencing or affecting the work.

**SETTING OUT**

* 1. **S****e****t****t****i****n****g****-****o****u****t**

The Client's Representative shall be responsible for the true and proper setting-out of the Works in relation to the scope of work of this contract, lines and levels of reference given by the Client and for the correctness of the positions, levels, dimensions and alignment of all parts of the Works and for the provision of all instruments, appliances and labour necessary for such purposes. If at any time during the progress of the Works any error shall appear or arise in the positions, levels, dimensions or alignment of any part of the Works, the Client's Representative on being instructed so to do by the Client shall at its own cost rectify such error to the satisfaction of the Client, unless such error is based on incorrect data supplied by the Client, in which case the expense of rectifying the same shall be borne by the Client. The checking of any setting-out or of any line or level by the Client shall not in any way relieve the Client's Representative of its responsibility for their correctness and the Client's Representative shall carefully protect and preserve all bench-marks, sight-rails, pegs and other things used in setting-out the Works.

**PROGRAMME**

* 1. **P****r****o****g****ramme**

Within fourteen (14) days from the date of the Contract Agreement the Client's Representative shall submit to the Client for its approval a detailed Programme for the execution of the Works, in such form and detail as the Client shall reasonably prescribe. The Client's Representative shall, whenever required by the Client, also provide for its information a general description of the arrangements and methods which the Client's Representative proposes to adopt for the execution of the Works.

* 1. **R****e****v****i****s****e****d****Programme**

If at any time it appears to the Client that the progress of the Works does not conform to the approved Programme, the Client’s Representative shall produce, within five (5) days of a request of the Client, a revised Programme showing modifications to the approved Programme resulting from and identifying any matter affecting the progress of the Works.

* 1. **A****p****p****r****o****v****a****l****o****f Programme**

The submission to and approval by the Client of any Programme and/or other description shall not relieve the Client's Representative of any of its duties or responsibilities under this Contract.

**CLIENT’S REPRESENTATIVE’S SUPERVISION**

* 1. **Client's Representative** **’****s Supervision**

The Client's Representative shall provide all necessary supervision during the execution of the Works for the proper fulfilling of the Client's Representative’s obligations under this Contract. A competent and authorised representative of the Client's Representative previously approved by the Client shall be constantly on the Site and shall give its whole time to the supervision of the Works and shall receive, on behalf of the Client's Representative, directions and instructions from the Client.

**CLIENT’S REPRESENTATIVE’S EMPLOYEES**

* 1. **Client's Representative****’s Employees**

The Client’s Representative shall provide and employ on the Site in connection with the execution of the Works:

* + - 1. only such technical employees as are skilled and experienced in their respective professions and trades and such sub-agents, foremen and leading hands as are competent to give proper supervision to those parts of the Works they are required to supervise, and
      2. such skilled, semi-skilled and unskilled labour as is necessary for the proper and timely execution of the Works.
  1. **R****e****m****o****v****a****l****o****f****P****e****rsons from Works and Site**

In agreement with the Client’s Representative, the Client may object to and require the Client's Representative to remove immediately from the Works and the Site any person employed by the Client's Representative in connection with the execution of the Works who, in the opinion of the Client, misconducts himself or is incompetent or negligent in the proper performance of his duties, or whose employment is otherwise considered by the Client to be undesirable and such person shall not be again employed upon the Works or the Site without the prior consent of the Client. Any person so removed from the Works and the Site shall be replaced as soon as possible and without affecting the progress of the Works by a competent substitute approved by the Client.

**LABOUR LAWS**

* 1. **C****o****m****p****l****i****a****n****c****e with Labour Laws**

The Client's Representative shall, and shall ensure that all of its Suppliers shall, in respect of all labour and personnel employed by them upon the Works in Japan, comply with all requirements upon labour in Japan imposed under the Laws,.

* 1. **F****e****s****t****i****v****a****l****s****a****n****d** **Religious Customs**

The Client's Representative shall, in all its dealings with its employees and those of its Suppliers and agents employed on or in connection with the Works, have due regard to all recognised Japanese festivals and other official public holidays ordered by the Government of Japan and religious or other customs.

**TRAINING**

* 1. **T****r****a****ining**

During the execution of the Works the Client's Representative shall, in accordance with the Specifications:

* + - 1. make use of members of the Client's staff with a view to imparting a full knowledge of the Works to such members; and
      2. design and implement formal training activities for the Client's staff with the objective of ensuring a complete transfer of technology systems used for the Works, for such staff.
  1. **Control of Client's Staff**

The Client's Representative shall give support for the members of the Client’s staff who undertake any training and shall provide full opportunity and use its best endeavours to ensure that the Client’s staff so assigned shall acquire the maximum knowledge and familiarisation.

**HEALTH AND SAFETY**

* 1. **H****e****a****l****t****h****a****nd Safety**

The Client's Representative shall be obliged to provide a health and safety officer in relation to the Works and shall be responsible for compliance with all Laws of Japan relating to the health and safety of the Works, the Site and all persons engaged on the Works and utilising the Site and for all activities required to achieve such compliance and shall:

* + - 1. notify the Client of its health and safety proposals for the Works and the Site prior to commencement of the Works;
      2. provide such further information regarding health and safety matters relating to the Works and the Site as the Client’ may reasonably request at any time;
      3. allow the Client to visit the Site and inspect the Works and the Site at any time; and
      4. as a precondition to the issue of a Taking Over Certificate in respect of the Works or a Section provide to the Client and Client records of all health and safety matters relating to the occupation, operation and maintenance of the completed Works or Section.
  1. **S****e****c****u****r****i****t****y****,****F****e****n****c****ing and Lighting**

The Client's Representative shall be responsible for the security of the Site including, without limitation, proper fencing, lighting, guarding, warning signs and watching of all the Works and each Section and part on the Site, in accordance with the Specifications, until the date stated in the Taking Over Certificate for the Works or that Section or part and for the proper provision during such period of temporary roadways, footways, guards and fences as far as the same may be necessary by reason of the Works or that Section or part for the use, safety and protection of the owners and occupiers of adjacent property, the public and others.

* 1. **S****a****f****e****t****y****a****n****d****p****r****o****t****e****c****t****i****on of the Environment**

The Client's Representative shall, throughout the execution of the Works:

* + - 1. have full regard for the safety of all persons entitled to be upon the Site and keep the Site (so far as the same is under its control) and the Works (so far as the same are not completed or occupied by the Client) in an orderly state appropriate to the avoidance of danger to such persons; and
      2. take all reasonable steps to protect the environment on and off the Site and to avoid damage or nuisance to persons or to property of the public or others resulting from pollution, noise or other causes arising as a consequence of its methods of operation.
  1. **E****p****i****d****emics**

In the event of any outbreak of illness of epidemic nature the Client's Representative shall comply with and carry out such Laws as may be made by the Japan Government or other appropriate Local Japanese Authorities for the purpose of dealing with and overcoming such outbreak.

* 1. **F****i****r****s****t Aid**

The Client's Representative shall provide and maintain in an easily accessible position on the Site an adequate first aid outfit. At least one of its employees on Site shall be fully qualified in the administration of first aid.

* 1. **A****c****c****i****dents**

The Client's Representative shall within twenty-four (24) hours of the occurrence of any accident on the Site or in connection with the execution of the Works object of this contract supply the Client with full details in triplicate and shall supply such information as may be required by the Client and shall, in the event of death and/or serious injury on the Site or in connection with the execution of the Works, immediately notify the Client and the relevant Local Japanese Authority.

**LAWS**

* 1. **P****r****o****p****e****r****L****a****w**

The Contract is made in Japan. The Laws of Japan shall be the proper laws of the Contract.

**COMPLIANCE WITH LAWS**

* 1. **C****o****m****p****l****i****a****n****c****e with Laws**

The Client's Representative shall, in all matters arising in the performance of this Contract, conform in all respects with the provisions of the Japan Laws and shall keep the Client indemnified against all penalties and liabilities of every kind for breach of any such Japan Laws.

**INTELLECTUAL PROPERTY RIGHTS**

* 1. **L****i****a****b****i****l****i****t****y****f****o****r** **Drawings and Specifications**

The Client's Representative shall not be liable for the use of any Drawing, Specifications or other document that it prepares for any purpose other than that for which it was agreed to be prepared as stated in, or reasonably inferred from, this Contract.

**CONDUCT OF WORKS**

* 1. **I****n****t****e****r****f****e****r****e****n****c****e****w****i****t****h****T****r****a****ffic and Adjoining Properties**

All operations necessary for the execution of the Works shall, so far as compliance with the requirements of this Contract permits, be carried on so as not to interfere with the convenience of the public, or the access to, use and occupation of public or private roads and footpaths to or of properties whether in the possession of the Client or of any other person and without disturbance to any party.

**KEEP SITE CLEAR**

* 1. **Client's Representative** **t****o****keep Site Clear**

During the progress of the Works the Client's Representative shall keep the Site reasonably free from all unnecessary obstructions and shall store or dispose of any Client’s Equipment and other materials, goods and equipment (including packing materials) and clear away and remove from the Site any rubbish or Temporary Works no longer required.

**CLEARANCE OF SITE ON COMPLETION**

* 1. **C****l****e****a****r****a****n****c****e****o****f****S****i****te on Completion**

On the issue of the Taking Over Certificate in respect of the whole of the Works scope of this Contract, the Client's Representative shall clear away and remove from the Site all of his Equipment and surplus materials (including packing materials), rubbish and Temporary Works of every kind, and leave the whole of the Site and Works clean and in a proper condition to the satisfaction of the Client.

**CONDUCT OF PERSONNEL**

* 1. **A****l****c****o****h****o****l****i****c****L****i****quor or Drugs**

The Client's Representative shall not, otherwise than in accordance with the Laws, import, sell, give, barter or otherwise dispense of any alcoholic liquor or drugs or permit or suffer any such importation, sale, gift, barter or disposal by its Suppliers or employees.

* 1. **A****r****m****s****a****n****d****Ammunition**

The Client's Representative shall not give, barter or otherwise dispose of to any person or persons any arms or ammunition of any kind or permit or suffer such activities.

* 1. **D****i****s****o****r****d****e****r****ly Conduct**

The Client's Representative shall at all times take all reasonable precautions to prevent any unlawful, riotous or disorderly conduct by or amongst its employees and those of its Suppliers and agents and for the preservation of peace and protection of persons and property in the neighbourhood of the Works.

**QUALITY CONTROL**

* 1. **Q****u****a****l****i****t****y****o****f****M****a****t****e****r****i****a****l****s****and Workmanship and Tests**

The quality of workmanship, materials, goods and equipment used for or in connection with the Works shall be:

* + - 1. in accordance with all applicable Japanese, European and international standards stated in the Specifications, and otherwise appropriate to the intended purposes of the Works;
      2. of the respective kinds described in the Contract and in accordance with the Client’s instructions;
      3. subjected from time to time to such tests as the Client may direct on the Site and/or at such other places as may be specified in the Contract.
  1. **Client's Representative assistance**

The Client's Representative shall provide such assistance, instruments, machines, labour and materials as are normally required for testing any work and the quality, weight or quantity of any such materials, goods and equipment and shall supply samples of materials before incorporation in the Works for testing as may be selected and required by the Client.

**INSPECTION OF WORKS**

* 1. **I****n****s****p****e****c****t****i****o****n****of Operations**

The Client and any person authorised by it shall at all times have access to the Site and the Works and to all workshops and places where work is being prepared or from where materials, goods and equipment are being obtained for the Works and the Client's Representative shall afford every facility for and every assistance in or in obtaining the right to such access.

**EXAMINATION OF WORKS**

* 1. **E****x****a****m****i****n****a****t****i****o****n****o****f****W****o****r****k before Covering up**

No work shall be covered up or put out of view without the approval of the Client, the Client's Representative shall afford full opportunity for the Client to examine and measure any work which is about to be covered up or put of view. The Client's Representative shall give due notice to the Client whenever any such work is ready or about to be ready for examination and the Client shall, unless it considers it unnecessary and advises the Client's Representative accordingly, promptly attend for the purpose of examining such work.

**COMMENCEMENT, PROGRESS AND COMPLETION**

* 1. **C****o****m****m****e****n****c****e****m****e****n****t****o****f****W****orks**

The Client shall issue a Notice to Commence in respect of the Works and the Client's Representative shall commence the Works and each Section within the period or periods stated in the Time-program submitted after the receipt by it of a Notice to Commence from the Client and shall then proceed with the Works and each Section in accordance with the Contract.

**SUSPENSION OF WORKS**

* 1. **S****u****s****p****e****n****s****i****o****n of Works**

The Client's Representative shall, on the instruction of the Client, suspend the progress of all or any part of the Works for such time or times and in such manner as the Client may consider necessary, and shall during such suspension properly protect and secure the Works or such part so far as is necessary in the opinion of the Client. The extra cost incurred by the Client's Representative giving effect to the Client’s instructions shall be borne and paid by the Client unless such suspension is:

* + - 1. necessary by reason of some default on the part of the Client's Representative ; or
      2. necessary by reason of climatic conditions on the Site;

and provided that the Client's Representative shall not be entitled to recover any such extra cost unless it gives notice of its intention to claim to the Client.

* 1. **L****i****c****e****n****c****e****s****a****n****d Facilities**

The Client's Representative shall bear all costs and charges for special or temporary licences required by it in connection with access to the Site.

* 1. **U****s****e****o****f****S****i****t****e****o****n****l****y****f****o****r Purpose of Contract**

The Client's Representative shall not use any portion of the Site for any purpose not connected with the Works except with the prior approval of the Client.

* 1. **A****c****c****e****s****s****f****o****r** **Maintenance**

The Client's Representative shall maintain access to, in and through the Site for the inspection, operation and maintenance of any of the Client’s property which lies within the Site or is accessed via the Site.

* 1. **R****e****s****t****r****i****c****t****i****o****n****o****f****A****c****c****e****s****s** **to Client’s Property**

The Client's Representative and its Suppliers and their employees, agents and representatives shall not use or enter any buildings or property or land on or outside the Site owned by or under control of the Client except with the prior approval of the Client, and the Client's Representative shall warn its Suppliers, employees, agents and representatives of this restriction.

**TIME FOR COMPLETION**

* 1. **T****i****m****e****f****o****r****Completion**

The whole of the Works and, if applicable, any Section required to be completed within a particular time as stated in the Program provided by Client's Representative, shall be completed in accordance from the Commencement Date or such extended time as may be allowed under this contract. If the Client's Representative fails to complete the Works within such period the Client shall issue a notice in writing to the Client's Representative to that effect and, for the avoidance of doubt, such written notice may be issued by the Client even if the Client's Representative has notified the Client of its claim for an extension of the Time for Completion. The fixing of a new Time for Completion, after the issue of such a notice, shall cancel that notice and the Client shall issue a further notice in writing as may be necessary.

**EXTENSION OF TIME**

* 1. **E****x****t****e****n****s****i****o****n****o****f****T****i****me for Completion**

In the event of a delay caused by:

* + - 1. delay by the Client or any other default or failure of the Client (not caused or contributed to by the Client's Representative or any Suppliers or other party for whom the Client's Representative is responsible) beyond any agreed time limit stated in this Contract or the Key Dates Schedule, provided that the Client's Representative has given notice to the Client not less than seven (7) days before expiry of the agreed time limit;
      2. discovery of an Antiquity after the date of the Contract Agreement, not indicated in or reasonably apparent from an inspection of the Site or the results of any Site surveys and investigations carried out by Client's Representative or provided to the Client's Representative prior to the date of the Contract Agreement;
      3. delay in receipt of any of the third party consents listed in the Specifications, provided that the Client's Representative has taken all proper and timely steps to avoid or reduce such delay;
      4. a change in any Law after the date of the Contract affecting the Works and not reasonably foreseeable by the Client's Representative ;
      5. weather conditions which the meteorological office records for the area nearest to the Site indicate are exceptionally adverse for the time of year;
      6. delay by any Local Japanese or Serbia Authority in carrying out work pursuant to its powers and obligations in relation to the Works, provided that the Client's Representative has supplied all necessary information, placed all necessary orders and otherwise performed its obligations under this Contract in respect of such work as soon as reasonably practicable and so as not to delay or disrupt the relevant Authority in relation to such work;
      7. damage or obstruction by any other contractor appointed by the Client and, provided that the Client's Representative has taken all reasonable precautions to avoid or reduce such damage or obstruction

being such as fairly to entitle the Client's Representative to an extension of the Time for Completion, the Client shall, after due consultation with the Client's Representative , determine the amount of such extension and shall notify the Client's Representative accordingly, with a copy to the Client.

* 1. **U****n****a****v****o****i****d****a****ble additional work or expenditure**

In the event that the Client's Representative is properly required to undertake unavoidable additional work or expenditure as a direct result of any one or more of the events described above, for which it would not be reimbursed by a payment under any other provision of the Contract, he may notify a claim for the value of such additional work or expenditure and the Client shall agree on the value of such unavoidable additional work or expenditure which has been properly and reasonably incurred by the Client's Representative and which shall be added to the Contract Price, calculated wherever possible on the basis of the Schedule of Rates and Prices/Bills of Quantities subject to the following conditions:

* + - 1. the Client's Representative shall minimise the amount of any such additional work or expenditure and its cost and duration; and
      2. the cost of any such unavoidable additional work or expenditure shall not include any additional profit or any loss of profit on other projects; and
  1. **N****o****t****i****f****i****c****a****t****i****on of Claims**

The Client is not bound to make any determination unless the Client’s Representative has:

* + - 1. within seven (7) days after such event has first arisen or after it has become (or should reasonably have become) apparent to the Client's Representative that the event had or was likely to cause it to incur unavoidable additional work or expenditure and/or delay, notified the Client and within such notification included its proposals to minimise any delays to the Time for Completion and/or any increase in the Contract Price; and
      2. within twenty-eight (28) days (or such other reasonable time as may be agreed by the Client) after such first notification submitted to the Client detailed particulars of any requested extension of the Time for Completion and/or unavoidable additional work or expenditure claims including detailed analysis of the effect of the event on the Key Dates Schedule and on the critical path identified in the Programme to which it may consider itself entitled as a result of the event or events.

**TAKING OVER OF WORKS**

* 1. **T****a****k****i****n****g****O****v****er of Works**

When the whole of the Works have achieved Completion and have satisfactorily passed any final tests and other procedures that may be prescribed by the Specifications, the Client's Representative shall give notice to the Client requesting to issue a Taking Over Certificate in respect of the Works. The Client shall, within Seven (7) days from the date of such notice either issue a Taking Over Certificate stating the date on which, in its opinion, the Works achieved Completion in accordance with the Contract or give instructions to the Client's Representative specifying all the work which, in the Client’s opinion, requires to be done by the Client's Representative before the issue of such Taking Over Certificate. The Client shall also notify the Client's Representative of any defects in the Works affecting Completion that may appear after such instructions and before Completion of the Works. The Client's Representative shall be entitled to receive a Taking Over Certificate within Seven (7) days of Completion to the satisfaction of the Client of the Works and making good any defects so notified.

**VARIATIONS**

* 1. **V****a****r****i****ations**

The Client may instruct in accordance with the Subcontractor any Variation of the form, quality or quantity of all or any part of the Works that may, in its opinion, be necessary including any:

* + - 1. increase in the quantity of any work, materials or equipment included in the Works;
      2. change in the levels, lines, position and dimensions of any part of the Works;
      3. additional work of any kind necessary for the completion of the Works; or
      4. change in any specified sequence or timing of construction of any part of the Works

and no such Variation shall in any way vitiate or invalidate this Contract and all such Variations shall be issued on a Variation Form.

* 1. **Client's Representative Proposed Variation**

The Client's Representative may propose a Variation to the Client at any time if it is demonstrably in the best interests of the Works, and any such proposed Variation shall be considered by the Client and, if approved by the Client, shall then be notified by the Client to the Client's Representative in accordance.

* 1. **Variation Submission**

When the Client notifies a proposed Variation to the Client's Representative, the Client's Representative within seven (7) days (or such other period as may be agreed) shall submit to the Client a Variation Submission comprising its proposals as to the effect of the proposed Variation on the Contract Price, as to its effect on the progress of the Works and the Time for Completion.

* 1. **U****r****g****e****n****t****V****ariations**

If the Client considers a proposed Variation to be sufficiently urgent or that for any other reason such Variation should be valued after implementation, the Client shall instruct the Client's Representative to proceed with that Variation using a Variation Form (marked as an "Urgent Variation"), in advance of a Variation Submission, which shall then be submitted.

**CLAIMS PROCEDURE**

* 1. **N****o****t****i****c****e****of Claims**

The Client's Representative shall send to the Client once every month an account giving detailed particulars of all claims, stating any additional payment to which the Client's Representative may consider itself entitled, and no claim for payment for any such work shall be considered which has not been included in such particulars. If the particulars of a claim are not available by the end of the current month the Client's Representative shall inform the Client that it intends to submit a claim and it shall include full particulars in the next month's account and if detailed particulars of a claim have already been submitted a monthly cross-reference to the submitted detailed particulars shall be sufficient.

* 1. **C****o****n****t****e****m****p****o****r****ary Records**

In addition to the accounts referred above, the Client's Representative shall keep such contemporary records as may reasonable and necessary to support any claim it may wish to make. The Client shall inspect such contemporary records and may instruct the Client’s Representative to keep any further contemporary records as are reasonable and may be material to the relevant claim. The Client's Representative shall permit the Client to inspect all records kept and shall supply copies as and when the Client shall so instruct.

* 1. **F****a****i****l****u****r****e****to Comply**

If the Client's Representative fails to comply with any of the provisions mentioned above in respect of any claim, its entitlement to payment in respect of such claim shall be void.

* 1. **P****a****y****m****e****n****t****of Claims**

The Client's Representative shall be entitled to include in any payment application such amount in respect of any claim as the Client, after due consultation with the Client's Representative , has notified the Client's Representative to be due.

**NOMINATED SUBCONTRACTORS**

1. **N****o****m****i****nated Subcontractors**

The use of nominated subcontractors shall apply and shall be incorporated in the Contract.

**PAYMENT**

* 1. **M****o****n****t****h****l****y****Statements**

The Client's Representative shall submit to the Client after the end of each month a statement in a form approved by the Client showing as at the end of that month:

* + - 1. the estimated contract value of the Permanent Works executed;
      2. any other amounts which the Client's Representative is itself entitled under the terms of the Contract;

unless in the opinion of the Client's Representative such values and amounts together shall not justify the issue of an interim certificate.

* 1. **M****o****n****t****h****l****y** **Payments**

Within two (2) days from the date of submission to the Client shall certify such statement to the Client's Representative and the Client, and the Client shall within fifteen (15) days after such certified statement has been delivered to the Client pay to the Client's Representative (after deducting any previous payments on account):

* + - 1. the amount agreed in each of the payment milestones listed in the schedule of this contract and in relation with the commercial letter; and
      2. such amounts (if any) as the Client may consider proper for variation, when necessary.
  1. **F****i****n****a****l****Account**

Not later than the period set out after the date of the Taking Over Certificate for the whole of the Works the Client's Representative shall submit to the Client a statement of final account and all information reasonably required for its verification showing in detail the value in accordance with this Contract of the work done in accordance with this Contract together with all further sums which the Client's Representative considers to be due to it under this Contract up to the date of such Taking Over Certificate. Such balance shall be paid to the Client's Representative as the case may require within fifteen (15) days after such certificate has been delivered to the Client.

* 1. **I****n****t****e****r****e****s****t****o****n****O****verdue Payments**

In the event of failure by the Client to make payment, the Client shall pay to the Client’s Representative interest upon any overdue payment from the latest date when the payment should have been made.

* 1. **C****u****r****r****e****n****c****y****of Payments**

All payments to the Client's Representative shall be made in European Euros (€) unless otherwise agreed by the Client and the Client's Representative .

**DEFAULT OF CLIENT**

* 1. **D****e****f****a****u****l****t****o****f Client**

In the event of the Client:

* + - 1. failing to pay to the Client’s Representative the amount due under any certificate of the Client within one (1) month after the same shall have become due under the terms of the Contract, subject to any deductions or set off that the Client is entitled to make under the Contract; or
      2. interfering with or obstructing the issue of any such certificate; or
      3. abandoning the Works or giving notice to the Client’s Representative that for unforeseen reasons, it is impossible for it to continue to meet its contractual obligations

the Client's Representative shall be entitled without prejudice to any other rights or remedies to terminate its employment under this Contract by giving not less than fourteen (14) days prior notice to the Client.

* 1. **Clearance of Site**

Upon the expiry of such notice the Client's Representative shall promptly remove from the Site all Client's Representative ’s and/or Suppliers’ Equipment and Temporary Works.

* 1. **Payment after termination for Client default**

In the event of such termination the Client shall be under the same obligations to the Client's Representative in regard to payment as if the Contract had been terminated, thus the Client shall pay to the Client's Representative the amount of any loss or damage to the Client's Representative arising out of or in connection with or by consequence of such termination.

**DISPUTES**

* 1. **S****e****t****t****l****e****m****e****n****t** **of Disputes**

If any dispute or difference shall arise between the Client and the Client's Representative in connection with or arising out of this Contract or the Works including any dispute as to any decision opinion instruction direction certificate or valuation of the Client (whether during the progress of the Works or after their completion and whether before or after the determination abandonment or breach of this Contract) it shall be referred to and settled by the Client who shall notify its decision to the Client's Representative. Unless this Contract shall have already been determined or abandoned the Client's Representative shall continue to proceed with the Works in accordance with this Contract and shall immediately give effect to every such decision of the Client unless and until the same shall be revised.

* 1. **A****r****b****i****t****ration**

If the Client shall fail to give such decision for a period of three (3) weeks after being requested to do so or if the Client's Representative is dissatisfied with any such decision of the Client then either the Client’s representatives may within three (3) weeks after receiving notice of such decision or within three (3) weeks after the expiration of the said period for such decision require that the matter be referred to the arbitration of an arbitration committee (the **Arbitration Committee**) to be formed of three (3) members. The Client and the Client's Representative shall each appoint one (1) member. The third member, who shall be the Chairman of the Arbitration Committee, shall be appointed by agreement between the other two (2) members and if such agreement is not reached within fifteen (15) days after their appointment, the said H.E. The Minister of Finance of Serbia shall appoint the third member upon the request of either party.

* 1. **Arbitration rules**

In any arbitration:

* + - 1. the Arbitration Committee shall have full power to open up, revise and review any decision, opinion, direction, certificate or valuation of the Client;
      2. neither party shall be limited in the proceedings before the Arbitration Committee to the evidence or agreements put before the Client for the purpose of obtaining its said decision;
      3. no decision given by the Client in accordance with this Contract shall disqualify it from being called as a witness and giving evidence before the Arbitration Committee on any matter relevant to the dispute or difference referred to the Arbitration Committee;
      4. no such appointments of arbitration shall be made and no arbitration shall proceed until after the date of issue of the Taking Over Certificate with respect to the whole of the Works unless the reference to arbitration relates solely to the withholding by the Client of the Taking Over Certificate with respect to the whole of the Works to which certificate the Client's Representative claims in accordance with the Conditions of Contract to be entitled;
      5. the award of the Arbitration Committee shall be reached if not unanimously by a majority of the Arbitration Committee;
      6. the award of the Arbitration Committee shall be final and binding on the parties;
      7. the costs of the arbitration shall be within the discretion of the Arbitration Committee; and
      8. such arbitration shall take place in Japan and shall be conducted in the Japanese and English language.