**VOLUME 2**

**SECTION 3**

**PARTICULAR CONDITIONS OF CONTRACT**

**CONTENTS**

These particular conditions amplify and supplement, if necessary, the General Conditions governing the contract.

The General Conditions of Contract and the Particular Conditions of Contract define the rights and obligations of the parties (i.e. the Employer and the Contractor). In case of any discrepancy between the General Conditions of Contract and the Particular Conditions of Contract, the provisions of the Particular Conditions of Contract shall prevail. Provisions of clauses unchanged in the Particular Conditions of Contract shall be valid in the form given in the General Conditions of Contract. The numbering of the Articles of the Particular Conditions is not consecutive but follows the numbering of the Articles of the General Conditions.

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| **General Provisions** |

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| **1.14** |  |
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| Definitions |  |  |

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| **1.1.1** |  |
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| The Contract |  |  |
|  | 1.1.1.1 | **“Contract”** |
|  |  | ***Delete the Sub-Clause 1.1.1.1 and substitute with the following*:**  “**Contract”** means, the Contract Agreement including all documents listed therein. |
|  | 1.1.1.2 | **“Contract Agreement”** |
|  |  | ***Delete the words “(if any)”***. |
|  | 1.1.1.3 | **“Letter of Acceptance”** |
|  |  | ***Delete the Sub-Clause 1.1.1.3 and substitute with the following:***  Letter of Acceptance means the Contract Agreement and all references to the Letter of Acceptance in the General and Particular Conditions shall mean the date of signing the Contract Agreement under Sub-Clause 1.6. [Contract Agreement]. |
|  | 1.1.1.4 | **“Letter of Tender”** |
|  |  | ***Delete Sub-Clause 1.1.1.4 and substitute with the following:***  “Letter of Tender” means the “Tender Form**”,** which was completed by the Contractor and includes the signed offer to the Employer for the Works. |
|  | 1.1.1.9 | **Appendix to Tender** |
|  |  | **Replace the sentence** “form part of the Letter of Tender” **with** “form part of the Tender Form as included in the Contract”. |
|  | 1.1.1.11 | **Special Conditions** |
|  |  | **Add new Sub-Clause 1.1.1.11** **"Special Conditions"** means **“Particular Conditions”.** |
|  | 1.1.1.12 | **PRAG** |
|  |  | **Add new Sub-Clause 1.1.1.12** “The PRAG is the abbreviation for ”Procurement and Grants for European Union External Actions - A Practical Guide,” as issued by the European Commission and the latest version of which is available under the following address:  <http://ec.europa.eu/europeaid/prag> |
|  | 1.1.1.13 | **Addendum to Contract** |
|  |  | **Add new Sub-Clause 1.1.1.13** “Addendum to Contract” means an Agreement between the contracting Parties modifying terms and conditions of the Contract provisions. The addendum to Contract, which is appended to and becomes part of the Contract, must be carried out in accordance with the provisions described in the latest version of the PRAG. |

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| **1.1.2** |  |
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| Parties and Persons |  |  |
|  | **1.1.2.2.** | **Employer** |
|  |  | ***Add the following at the end of Sub-Clause 1.1.2.2:***  **“Employer”** has the same meaning as the term **“Contracting Authority”** as used in PRAG and in the tenders documents appended to the Contract. |
|  | **1.1.2.11** | **"Final Beneficiary"** |
|  |  | ***Add new Sub-Clause 1.1.2.11***  **"Final Beneficiary"** means the final beneficiary of the contracted works and he is the person named as such in the Appendix to Tender. |
|  | **1.1.2.12** | **"End Recipient"** |
|  |  | ***Add new Sub-Clause 1.1.2.12*** **"End Recipient”** means the end recipient of the contracted works and he is the person named as such in the Appendix to Tender. |
|  | **1.1.2.13** | **"EUD"** |
|  |  | ***Add new Sub-Clause 1.1.2.13*** **"EUD”** means the European Union Delegation to the Republic of Serbia. |

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| **1.1.3** |  |
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| Dates, Tests, Periods and Completion |  |  |
|  | **1.1.3.10** | **"Signature Date"** |
|  |  | ***Add new Sub-Clause 1.1.3.10***  **"Signature Date"** means the date of the last signature on the Contract. |

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| **1.1.4** |  |
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| Money and Payments |  |  |
|  | **1.1.4.6** | **"Foreign Currency"** |
|  |  | ***Add at the end of the Sub-Clause 1.1.4.6***  **"Foreign Currency** means EURO. |
|  | **1.1.4.10** | **"Provisional Sum"** |
|  |  | ***Add at the end of the Sub-Clause 1.1.4.10***  **"Provisional sum"** is synonymous to Contingency as specified in the Article 4 of Contract Form. |
|  | **1.1.4.13** | **"Contract Amount*"*** |
|  |  | ***Add new Sub-Clause 1.1.4.13***  **"Contract Amount"** means sum of Accepted Contract Amount and Contingency in accordance with the Article 4 of Contract Form. |

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| **1.1.6** |  |
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| Other Definitions |  |  |
|  | **1.1.6.2** | **“Country”** |
|  |  | ***Delete the Sub-Clause 1.1.6.2 and substitute with the following:***  The **"Country"** is the Republic of Serbia. |
|  | **1.1.6.6** | **“Performance Security”** |
|  |  | ***At the end of the Sub-Clause 1.1.6.6 add:***  **”Performance Security”** has the same meaning as the term **”Performance guarantee”** as used in PRAG and in the tender documents appended to the Contract. |
|  | **1.1.6.10** | **"Eligible Country"** |
|  |  | ***Add a new Sub-Clause 1.1.6.10***  **“Eligible Country”** means a Member State of the European Union or an eligible country or territory as defined under the Regulation (EU) No. 236/2014 establishing common rules and procedures for the implementation of the Union's instruments for external action (CIR) which comply with the rule on nationality and origin provided in the IPA II Regulation EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II). |
|  | **1.1.6.11** | **"Advance Payment Guarantee"** |
|  |  | ***Add a new Sub-Clause 1.1.6.11***  **"Advance Payment Guarantee"** means the guarantee under Sub-Clause 14.2 [Advance Payment], which has the same meaning as the term “Guarantee on Pre-Financing” as used in PRAG and in the tender documents appended to the Contract. |

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| **1.2** |  |
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| **Interpretation** |  | ***After sub-paragraph (d), insert:***  (e) provisions including the expression "Cost plus reasonable profit" require this profit to be one-twentieth (5%) of this Cost. |

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| **1.3** |  |
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| **Communication** |  | ***At the end of Sub-Clause 1.3 add:***  Correspondence sent out through agreed electronic transmission shall be in each case officially confirmed by a hard copy. |

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| **1.4** |  |
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| Law and Language |  | ***At the end of Sub-Clause 1.4 add:***  The communications with the Serbian authorities shall be in Serbian (or, to the allowable extent, in English accompanied with certified translation into Serbian language). Day to day communications on the Site shall be in Serbian, but notices and other communications related to execution of obligations under the Contract shall be in English. Work Diary (in Serbian: Gradjevinski dnevnik) shall be in Serbian. When this Contract states that a particular document shall be made in the language of communication, it shall be deemed that these documents are to be made in English. |

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| **1.5** |  |
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| Priority of Documents |  | *Delete Sub-Clause 1.5 and substitute with the following:*  The documents forming the Contract are to be taken as mutually explanatory of one another.  The following documents shall be deemed to form and be read and construed as part of this contract, in the following order of precedence:  (a) the Contract Form,  (b) the Tender Form and Appendix to Tender,  (c) the Particular Conditions,  (d) the General Conditions of Contract (FIDIC 1999, Red Book),  (e) the Specification, including clarifications during tender preparation process,  (f) the Drawings,  (g) the Schedules (after arithmetical corrections),  (h) the Tender including clarifications during evaluation stage,  (i) any other documents forming part of the Contract including LEF, BAF and the templates for various guarantees (pre-financing, performance, retention).  If an ambiguity or discrepancy is found in the documents, the Engineer shall issue any necessary clarification or instruction |

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| **1.6** |  |
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| Contract Agreement |  | ***Delete Sub-Clause 1.6 and substitute with the following:***  The Contract Agreement is the Contract Form included in Volume 2, Section 1 of the Tender dossier. It shall be signed and dated by the Employer, sent to the Contractor for signature within 30 days from receipt, and returned to the Employer upon countersignature, together with a valid Performance Security as described in Sub-Clause 4.2 of the Particular Conditions. The Contract Agreement becomes effective on the date of the signature by the Contractor. |

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| **1.7** |  |
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| Assignment |  | ***At the end of sub-paragraph (b) add:***  only with prior consent of the other Party. |

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| **1.8** |  |
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| **Care and Supply of Documents** |  | **At the end of second paragraph add:** All notices and documents required to be submitted by the Contractor shall also be submitted electronically in readable / editable formats. |

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| **1.10** |  |
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| **Employer's use of Contractor's Documents** |  | **In the second sentence of Sub-Clause 1.10, after the word "Employer" insert**and/or the End Recipient and/or the Final Beneficiary. ***In the second sentence of Sub-Clause 1.10 after "Contractor Documents" insert***  and other documents made by (or on behalf of) the Contractor. |

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| **1.12** |  |
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| Confidential Details |  | ***At the end of Sub-Clause 1.12 add:***  The Contractor shall treat the details of the Contract as private and confidential, save insofar as may be necessary for the purposes thereof, and shall not publish or disclose the same or any particulars thereof in any trade or technical paper or elsewhere without the previous consent in writing of the Employer or the Engineer. If any dispute arises as to the necessity of any publication or disclosure for the purpose of the Contract the same shall be referred to the decision of the Employer whose decision shall be final. |

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| **1.13** |  |
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| **Compliance with Law** |  | ***In the paragraph (a),*** *replace the first two occurrences of “Employer” with “Beneficiary”.*  ***After sub-paragraph (b), insert:***  Design and all other documents issued by the Contractor, needed for obtaining all permits, licenses and approvals shall be in both the Serbian and English language. Translation of this documents is the responsibility of the Contractor. |

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| **The Employer** |  |  |

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| **2.1** |  |
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| Right of Access to the Site |  | ***Replace at the end of the first paragraph after "until Performance security has been received" with***  until Performance security under Sub-Clause 4.2 [Performance Security] and relevant Insurances under Clause 18 are received. |

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| **2.6** |  |
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| The End Recipient and/or Final Beneficiary duties and authority |  | ***Add new Sub-Clause 2.6***  The Employer may delegate to the End Recipient and/or the Final Beneficiary duties and powers of the Employer. |

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| **The Engineer** |  |  |

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| **3.1** |  |
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| Engineer’s Duties and Authority |  |  | |
|  | |  | ***Add at the end of the Sub-Clause 3.1 add:***  The Engineer shall obtain the specific approval of the Employer before taking action under the following Sub-Clauses of these Conditions:   1. Sub-Clause 3.5: Agreeing or determining any matter, which will change the Contract Price; 2. Sub-Clause 4.4: Giving consent to a Subcontractor who is not include in the original Contract; 3. Sub-Clause 8.4: Agreeing or determining an extension of the Time for Completion; 4. Sub-Clause 8.8: Instructing the Contractor to suspend progress of all of the Works; 5. Sub-Clause 10.1 Issuing the Taking Over Certificate 6. Sub-Clause 11.9 Issuing the Performance Certificate 7. Clause 13: Instructing a Variation which is expected to increase the Contract Price or Time for Completion or in any substantial way change the scope, character or quality of the Works. 8. Sub-Clause 13.5: Giving instructions for the use of the provisional sums. 9. As per Sub-Clause 20.1, agreeing or determining for any matter, which will prolong the Extension of Time for Completion and/or change the Contract Price   The Engineer shall also perform the duties of the Supervising Inspector mandatory under the relevant Serbian regulations in the construction field.  Notwithstanding the obligation, as set out above, to obtain approval, if, in the opinion of the Engineer, an emergency occurs affecting the safety of life or the Works or adjoining property, he may, without relieving the Contractor of any of his duties and responsibilities under the Contract, instruct the Contractor to execute all such work or to do all such things as may, in the opinion of the Engineer, be necessary to abate or reduce the risk. Only in such situation, expressly indicated in writing, the Contractor shall forthwith comply, despite the absence of approval of the Employer, with any such instruction to the Engineer. The Engineer shall determine an addition to the Contract Price, in respect of such instruction, in accordance with Clause 13.3 [Variation Procedure] and shall notify the Contractor accordingly, with a copy to the Employer. |

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| **3.4** |  |
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| **Replacement of Engineer** |  | ***Delete Sub-Clause 3.4*** |

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| **3.6** |  |
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| **Management Meetings** |  | ***Add new Sub-Clause 3.6***  Either the Engineer or the Contractor may require the other to attend regular progress meetings, or meetings needed for clarification of works issues. The aim of such meetings shall be to review the anticipated arrangements for future work and to resolve any outstanding (site and/or contract) matters. The Engineer shall record draft minutes of the meetings and provide copies of this record to those attending the meeting and to the Employer. Line responsibility of the parties for any actions shall be included in such record and shall, if not specified in the Contract, be decided by the Engineer. The Engineer and the Contractor as a true record shall sign such minutes.  The agenda for such meetings shall cover, inter alia, a review of progress attained, a review of schedules and plans for future activities, the status of staffing, engineering, safety, equipment, material supply, payments, current and anticipated difficulties, interface with Contractors, claims for extras, and other pertinent topics.  Time and place of meetings shall be mutually agreed between the attendees of the meetings, taking into consideration the subject to be discussed.  The Engineer shall have the authority to convene the following Coordination and Management meetings:  (a) a daily short co-ordination meeting on Site during the execution of the Works at site in order to review the daily progress and discuss specific matters together with the representatives of the Contractor.  (b) a weekly co-ordination meeting on Site during the execution of the Works in order to review the weekly progress and discuss general matters together with the representatives of the Contractor.  (c) a monthly progress meeting during the execution of the Works in order to review the monthly progress and discuss general matters together with the representatives of the Contractor. |

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| **The Contractor** |

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| **4.1** |  |
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| Contractor’s General Obligation |  | ***At the end of Sub-Clause 4.1 insert:***  The Contractor shall submit to the Engineer, before the commencement of the Works, all appropriate current licenses for the Contractor in compliance with the Law on Planning and Construction and its associated rule books and regulations.  The Contractor shall acquaint himself with the position of all existing services such as drains, telephone cables, electricity lines and poles, water pipes, gas pipes and the like, before any excavation or other work, likely to affect the existing services is commenced. The Contractor will be liable for any damage to roads, drainage ditches, pipes, cables or services of any kind caused by him or his Sub-Contractors in the execution of the Works, and must make good any such damage at his own expense and to the complete satisfaction of the Engineer, within the time frame determined by the Engineer.  The Contractor is required to make all necessary arrangements with the relevant local Authorities and owners for the removal and reinstatement of all services as agreed with or instructed by the Engineer. The Contractor shall pay for the cost of these works.  If errors, omissions, ambiguities, inconsistencies, inadequacies or other defects are found in the Contractor’s Documents, they and the Works shall be corrected at the Contractor’s cost, notwithstanding any consent or approval under this Clause.  Save where the European Commission requests or agrees otherwise, the Contractor shall take the necessary measures to ensure the visibility of the European Union financing or co-financing as laid down in the rules published by the Commission on the visibility of external operations.  The visibility measures must comply with the rules laid down in the Communication and Visibility Manual for EU External Actions published by the European Commission:  <https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en> |

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| **4.2** |  |
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| Performance Security |  | ***Delete second paragraph of the Sub-Clause 4.2 and replace with the following:***  The Contractor shall deliver the Performance Security to the Employer together with the return of the countersigned contract, and shall send a copy to the Engineer. The Performance Security shall be issued by a bank or other financial institution approved by the Employer, and shall be written in first demand unconditional form, and shall be in form specified in tender documentation.  Whenever the Engineer determines an addition to the Contract Price as a result of a change in cost and/or legislation, or as a result of a Variation(s) cumulative amounting to more than 10% of the Contract Amount, the Contractor shall, at the Engineer’s written request promptly increase the value of the Performance Security by an equal percentage. |

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| **4.3** |  |
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| Contractor’s Representative |  | ***At the end of Sub-Clause 4.3 add:***  If the Contractor's Representative, or all his key personnel are not, in the opinion of the Engineer fluent in English or Serbian languages, the Contractor shall have available on Site an interpreter available during working hours.  All relevant Contractor’s key personnel must hold certificates appropriate for managing the works in accordance with the relevant Serbian regulations. |

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| **4.4** |  |
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| Subcontractors |  | ***At the end of the first paragraph of the Sub-Clause 4.4. add:***  Any subcontract or agreement with the Subcontractor shall be written in a manner as to be consistent with this Contract and shall require that the Contractor has full access for auditing purposes to the Subcontractors records, documents, costs and accounts.  ***At the end of Sub-Clause 4.4. add:***  The Contractor shall ensure that all subcontractors and all suppliers to the Contractor are natural and/or legal person from Eligible Countries.  Subcontractors must satisfy the eligibility criteria applicable for the award of the Contract and they cannot be in any of the situations excluding them from participating in contracts which are listed in Section 2.6.10.1 [Exclusion Criteria] of the PRAG. |

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| **4.6** |  |
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| Co-operation |  | ***In the sub paragraph (a) after "Employer's" insert***  "or End Recipient's and or the Final Beneficiary's" |

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| **4.8** |  |
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| **Safety Procedures** |  | ***At the end of Sub-Clause 4.8 add the following paragraphs:***   1. comply with all safety regulations and "Permit to Work" systems made and operated by the Employer.   Safety issues shall be on the agenda of all site meetings and plans shall be jointly agreed between the Engineer and the Contractor's Representative for minimising the risks of unsafe events and working practices in forthcoming work.  g) The Contractor shall comply with all applicable current legislation, regulations and specifications, with respect to all measures, operations and administrative steps required for the full protection and safeguarding of the environment. |

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| **4.9** |  |
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| Quality Assurance |  | ***At the end of Sub-Clause 4.9 add:***  The Quality Assurance scheme shall ensure (a) that all materials and equipment delivered to site are traceable as compliant with a recognised Serbian / international standard for the material or equipment (b) include procedures for checking compliance and filing of compliance certificates and (c) include an electronic and paper filing system for storing all certificates and delivery dates.  Within 21 days after the Commencement Date, the Contractor shall submit a document titled "The Quality Assurance System" fully in compliance with provisions of this sub-clause. |

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| **4.10** |  |
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| **Site Data** |  | ***Insert*** "End Recipient and or the Final Beneficiary" ***after "Employer" in the first line, second line, third /fourth line.***  ***Add at the end of first paragraph following:***  Such interpretive information as is provided within any relevant reports shall not be deemed to constitute an interpretation by the Employer under the Contract, such interpretation being the sole responsibility of the Contractor.  ***Insert after the last paragraph of Sub-Clause 4.10:***  (f) existing utilities and infrastructure |

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| **4.15** |  |
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| **Access Route** |  | ***At the end of Sub-Clause 4.15 add:***  No important operation of any kind, especially cutting through, transit over, or closing existing roads, water conduits or other public utility shall be carried out without the written consent of the Engineer. The Contractor shall inform the Engineer in due time which shall be not less than 7 days in writing before commencing such works in order that the Engineer may arrange adequate supervision and safety precautions. |

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| **4.18** |  |
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| **Protection of the Environment** |  | ***Delete first paragraph of Sub-Clause 4.18 and substitute with the following:***  The Contractor shall take all reasonable steps to protect the environment (both on and off the site) and to limit damage and nuisance to all land, flora and fauna, people and property resulting from pollution, noise and other results of his operations.  ***At the end of Sub-Clause 4.18 add:***  The Contractor shall fully comply with the regulations on environmental protection which are effective in the Country during all stages of the Works, with respect to all measures, operations, and administrative steps which are required for the full protection and safeguard of the environment. The Contractor shall continuously keep the Site clean from construction or produced residual wastes and likewise restore any damage to the environment adjacent to the Site caused by his activities. |

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| **4.19** |  |
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| **Electricity, Water and Gas** |  | ***Replace the text of the third paragraph with the following:***  The Contractor shall pay the amounts due for his use of the services directly to the provider(s) of these services. |

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| **4.21** |  |
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| **Progress Report** |  | ***At the end of Sub-Clause 4.21 add:***  Monthly progress reports shall be prepared, in English and in Serbian language. |

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| **4.23** |  |
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| **Contractor’s Operations on Site** |  | ***At the end of Sub-Clause 4.23 add:***  No important operation of any kind, especially cutting through or closing existing roads, water conduits or public utilities shall be carried out without the written consent of the Engineer. The Contractor shall apply to the Engineer, in writing for such consent, at least 14 days prior to the proposed start of such operation. He shall include with the application full details of the operation, the programme, the major items of plant to be employed and enclose copies of all necessary permits obtained in accordance with Clause 1.13 [*Compliance with Laws*].  All temporary traffic and footway variations shall be made in accordance with the laws of Serbia and shall include all necessary temporary signposting and signals. |

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| **4.24** |  |
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| **Fossils** |  | ***At the end of the first paragraph of Sub-Clause 4.24 add the following paragraph:***  In accordance with Serbian Law any items found are the property of the Republic of Serbia. The Contractor shall pass over any items to the Serbian authorities as directed by the Engineer. |

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| **4.25** |  |
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| **Existing Services** |  | ***Add new Sub-Clause 4.25:***  The Contractor shall acquaint himself with the position of all existing roads and services of any kind including drains, telephone, electricity lines and poles, water pipes, gas pipes and the like, before any excavation or other work likely to affect the existing services is commenced.  The Contractor will be liable for all damage to all roads and services of any kind caused by him in the execution of the Works. He shall make good any such damage at his own expense and to the complete satisfaction of the Engineer within the Time for Completion.  The Contractor shall make all necessary arrangements with the relevant local authorities and owners for the removal and reinstatement of all services as agreed with or instructed by the Engineer. The Contractor will pay the cost of these works.” |

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| **4.26** |  |
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| Contractor's Equipment to be in Operating Condition |  | ***Add new Sub-Clause 4.26***  It is the Contractor's responsibility to establish the type, capacity and quantity of all Contractor's Equipment inclusive all appliances and associated plant and labour for execution and completion of the Works and the remedying of any defects therein. The operational conditions for Contractor's Equipment, Temporary Works, materials, etc. shall be as follows:  (a) all Contractor's Equipment, Temporary Works, materials etc., obtained or furnished by the Contractor which is to be used by the Contractor on the Site, shall be in satisfactory operating condition, adequate and suitable for the safe and efficient performance of the Works. Such equipment shall be subject to inspection and acceptance from time to time by the Engineer.  (b) any Contractor's Equipment, Temporary Works, material etc. which is rejected by the Engineer as not conforming with the foregoing shall be promptly removed by the Contractor and replaced by the same acceptable to the Engineer without additional costs to the Employer and without delaying the schedule for performance of the Works.  (c) the Contractor shall be responsible for ensuring that all personnel employed by him have the necessary licenses, qualifications or exemptions to operate the equipment and shall bear all costs involved in maintaining such licenses, qualifications and exemptions, required during the course of the Works. |

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| **4.27** |  |
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| **Licenses** |  | ***Add new Sub-Clause 4.27***  The Contractor shall obtain at his own cost and deliver in both the Serbian and English language, in both hard copy and electronic format all permits, licenses and approvals, as required by the Laws in relation to the design, execution and completion of the Works.  The Contractor shall and maintain all permits, licenses and approvals, as required by the Laws in relation to the design, execution and completion of the Works until the expiry of the Defects Notification Period. The Contractor shall indemnify and hold the Employer or the End Recipient harmless against and from the consequences of any failure to do as required under this sub-clause. |

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| **4.28** |  |
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| **Work Diary** |  | ***Add new Sub-Clause 4.28***  The Contractor shall be responsible for keeping the work diary in accordance with the applicable law (Physical Planning and Construction law). The work diary shall be kept in two copies and one of these shall be submitted to the Engineer for information. The Work Diary shall be, at any time during working hours, open for consultation by the Engineer or his Representative. The Work Diary is intended for recording daily turnouts of: Contractor’s labour, equipment, executed works, as well as prevailing weather conditions etc., related exclusively to the Contract. |

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| **Staff and Labour** |

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| **6.2** |  |
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| Rates of Wages and Conditions of Labour |  | ***At the end of the Sub-Clause 6.2 add:***  The Contractor shall note that the Serbian Law might dictate additional payment of wages for work outside normal working hours. No additional charge shall be borne by the Employer as result of the increase of Contractor’s employee’s wages or as a result of the additional payments due by the Contractor to its employees. |

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| **6.3** |  |
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| Persons in the Service of Employer |  | ***At the end of the Sub-Clause 6.3 add:***  nor from the Personnel of the Engineer. |

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| **6.7** |  |
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| Health and Safety |  | ***At the end of the first paragraph of Sub-Clause 6.7, add the following:***  Within 21 days after the Commencement date, the Contractor shall submit to the Engineer, for approval, a Contract specific Health Safety and Environmental Plan detailing procedures for health and safety management of the Contract. Contractor shall submit a document entitled "Health, Safety and Environmental Plan" giving a detailed description of his proposed methods for ensuring safety of the Works and of the persons, staff and labour involved in the execution of the Contract during all stages of construction.  The Health, Safety and Environmental Plan shall be presented in sufficient detail to ensure that there can be no ambiguity in its interpretation at a later date. The Health, Safety and Environmental Plan shall be subject to the approval of the Engineer, who will not allow any work on site to proceed until such time as it has been fully and formally approved. Approval of the Health, Safety and Environmental Plan shall not relieve the Contractor of any of his responsibilities with regard to safety.  The Health, Safety and Environmental Plan shall be revised if necessary during the course of works and resubmitted to the Engineer for his approval. The Health, Safety and Environmental Plan, and any subsequent revisions to it, will be deemed acceptable to the Engineer if the Engineer fails to give response within 7 days.  The Engineer shall continuously monitor the Contractor’s compliance with its obligations under this Sub-Clause 6.7. [Health and Safety].  ***Delete the second and third paragraph of Sub-Clause 6.7 and substitute as follows:***  The Contractor shall nominate in writing a person who shall be in charge of safety and health issues at work, as required under the Workplace Safety and Health Law of the RS, Official Gazette of RS, no. 101/2005. |

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| **6.8** |  |
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| Contractor’s Superintendence |  | ***At the end the Sub-Clause 6.8 add:***  A reasonable proportion of the Contractor's superintending staff shall also have a working knowledge both oral and written of the Serbian language or the Contractor shall have a sufficient number of competent interpreters available on Site during all working hours. |

**6.9**

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| Contractor’s Personnel |  | ***At the end of the Sub-Clause 6.9 add:***  The Contractor shall obtain prior approval of the Engineer for replacing the key personnel already nominated in the Contract. |

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| **6.10** |  |
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| Records of Contractor’s Personnel and Equipment |  | ***At end of Sub-Clause 6.10, add:***  The Engineer may request weekly submission of reports if the nature of the work or Contractor's submissions means such reporting is necessary to achieve accurate records. |

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| **6.12** |  |
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| Festivals and Religious Customs |  | ***Add a new Sub-Clause 6.12***  In dealing with his staff and labour, the Contractor shall respect the country's recognized festivals, days of rest and religious or other customs. |

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| **6.13** |  |
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| Repatriation of Personnel and Labour |  | ***Add a new Sub-Clause 6.13***  The Contractor shall be responsible for the return to the place where they were recruited or to their domicile of all such persons, as he recruited and employed for the purposes of or in connection with the Contract. And he shall maintain such persons, as are to be returned, in a suitable manner until they shall have left the Site or, in case of persons who are not nationals of or have been recruited outside the Country, shall have left the Country. |

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| **6.14** |  |
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| Workmen's protection from Accidents |  | ***Add a new Sub-Clause 6.14***  The Contractor shall include in his staff a Safety Officer dealing with questions regarding the safety and protection against accidents of all staff and labour. The Safety Officer shall be qualified for this work and shall have the authority to issue required instructions and take protective measures to prevent accidents. |

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| **6.17** |  |
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| Burial of the Dead |  | ***Add a new Sub-Clause 6.17***  The Contractor shall make the necessary arrangements for the transport, to any place as required for burial, of any of his expatriate employees or members of their families who may die in the Country. The Contractor shall also be responsible, to the extent required by local regulations, for making any arrangement with regard to burial of any of his local employees who may die while engaged upon the Works. |

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| **6.18** |  |
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| Supply of water |  | ***Add a new Sub-Clause 6.18***  The Contractor shall, so far is reasonably practicable, having regard to local conditions, provide on the Site an adequate supply of drinking and other water for the use of his staff and labour. |

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| **Plant, Materials and Workmanship** |

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| **7.2** |  |
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| Samples |  | ***In sub–paragraph (a) after Contract, add*** “or required by Serbian Law on Planning and Construction”. |

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| **7.4** |  |
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| Testing |  | ***At the end of Sub-Clause 7.4 add:***  When tests and inspections are to be performed by a Serbian authorized independent third party, under the requirements of the applicable Laws, these shall be hired by and paid for by the Contractor. |

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| **7.9** |  |
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| Eligibility of Plant, Materials and Services |  | ***Add a new Sub-Clause 7.9***  All goods to be incorporated in the Works must have their ”origin” in a Member State of the European Union or in a eligible country or territory as defined under the Regulation (EU) N°236/2014 establishing common rules and procedures for the implementation of the Union's instruments for external action (CIR) for the applicable Instrument under which the contract is financed.  However, the goods to be purchased may originate from any country, whenever the total price of the estimated quantity of those goods, as reflected in a separate Item of the Breakdown of the Lump-Sum Price (Volume 4.2.3. Schedules 1 to 5) is below 100,000 euros.  The category of goods as described in the paragraph above, to a value of below 100,000 euros, must comply with Commission Implementing Regulation (EU) 2017/1925, and fall within one of it’s CN two digit chapter numbers.  The Engineer shall determine, prior to the order for the goods being placed, if the proposed order falls within the category above.  For the purpose of this contract, ‘origin’ means the place where the goods are mined, grown, produced or manufactured and/or from which services are provided. The origin of the goods must be determined according to the relevant international agreements (notably WTO agreements), which are reflected in EU legislation on rules of origin for customs purposes: the Customs Code (Council Regulation (EEC) No 2913/92) in particular its Articles 22 to 26 thereof, and the Code's implementing provisions (Commission Regulation (EEC) No 2454/93. |

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| **Commencement, Delays and Suspension** |

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| **8.3** |  |
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| Programme |  | ***In the beginning of the first paragraph after "The Contractor shall submit …." insert*** "3 copies of the".  ***At the end of the Sub-paragraph (d) of the Sub-Clause 8.3 Programme, after (ii), add the following:***  (iii) a detailed Cash Flow Estimate (CFE)  (iv) Critical Path Method Analysis (CPM)  The Programme shall reflect any specific requirements set out in the Contract. Programme shall take into account the appropriate time needed for purpose of informing public regarding closing the roads and streets or for limiting or disconnecting water, electricity or other utilities. In the preparation of the Programme, the Contractor shall take into account adverse weather conditions which may severely restrict progress, as well as working during the winter months. Programmes incorporating restricted working, or a temporary suspension of works may be accepted the Engineer, but such acceptance shall not relieve the Contractor from his obligations under the Contract to complete the Works in accordance with the stated time for completion of the Works or parts thereof.  ***At the end of Sub-Clause 8.3 add:***  Any revised programme shall be submitted within 14 days from the date of request of the Engineer and shall be made by the Contractor without additional payment to him.  Non compliance with provisions of this sub-clause may result in a reduction of interim payments. Until the Contractor fully complies with this provision, any interim payments may be reduced by 10%. After the Contractor complies with this provision suspended amount will be paid within next Payment in accordance with Sub-Clause 14.7 [Payment]. |

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| **8.4** |  |
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| **Extension of Time for Completion** |  | ***At the end of Sub-Clause 8.4 add:***  The Contractor shall not be entitled to a separate extension of Time for Completion for each one of several causes of delay running concurrently but only for the actual period of delay determined by the Engineer irrespective of the causes contributing to produce such delay. If one of several causes of delay operating concurrently is due to the fault of the Contractor and would itself irrespective of the concurrent causes have delayed the completion of the Works or parts thereof no extension of Time for Completion shall be granted for the period of such delay. |

**Employer’s Taking Over**

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| **10.1** |  |
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| Taking Over of the Works and Sections |  | ***Delete all text after second paragraph and replace with following:***  “The Contractor shall apply by notice to the Engineer for a Taking-Over Certificate at the latest 28 days before the works will, in the Contractor’s opinion, be complete and ready for taking over.  The Engineer shall, within 28 days after receiving the Contractor’s application:  (a) notify the Employer who will report to the relevant authority that the Works are complete and ready for technical acceptance; or  (b) reject the application, giving reasons and specifying the work required to be done by the Contractor to enable the application for technical acceptance. The Contractor shall then complete this work before issuing a further notice under this sub-clause.  Technical acceptance of Works and Sections shall comply with applicable Law and legislation and upon establishment of the technical acceptance committee by the relevant authority.  If any deficiencies are identified in the course of the technical acceptance procedure, the Contractor shall remedy such deficiencies within the period proposed by the technical acceptance committee during the Defect Notification Period. If the Contractor fails to remedy the deficiencies, the Employer shall be entitled to engage a third party to remedy such deficiencies at the cost of the Contractor.  Taking Over Certificate shall be issued by the Engineer within 7 days upon positive report of the technical acceptance committee that the works are technically acceptable.  If the Engineer fails to issue the Taking-Over Certificate within the period of 28 days after issuing positive report of the technical acceptance committee that the works are technically acceptable, the Taking-Over Certificate shall be deemed to have been issued on the last day of that period. |

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| **10.3** |  |
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| Interference with Test on Completion |  | ***In the first sentence after "the Employer" insert*** "or the End Recipient and/or the Final Beneficiary". |

11

**Defects Liability**

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| **11.7** |  |
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| Rights of Access |  | ***After "Employer's" insert*** "and/or End Recipient's and/or the Final Beneficiary's" |

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| **11.9** |  |
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| Performance Certificate |  | ***At the end of Sub-Clause 11.9 add:***  After the issuance of the Performance Certificate, the questions as to the post-contract liability shall be governed by the Laws of the Country. |

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| **Variations and Adjustments** |

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| **13.1** |  |
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| Right to Vary |  | ***At the end of the Sub-Clause 13.1 add:***  "Substantial changes can, however, only be made by means of a formal addendum to the Contract. The following types of changes shall be regarded as substantial:  A. Changes with technical impact that may affect the competition by altering the conditions on which the contract has been evaluated and awarded (e.g. substantial changes in design elements as the technical solution in a plant and design-build contract, technical specifications in a construction contract, minimum standards for materials; etc.).  B. Changes with financial impact that lead to an increase in the Contract Price, such that it is no longer covered by the Contract Amount.  C. Changes of the contractual essence, such as changes in the conditions of Contract, Contract agreement, Appendix to tender or other such parts of the Contract." |

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| **13.9** |  |
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| Procedures for Addendum |  | ***Add new Sub-Clause 13.9***  Should a necessity arise for modification of the Contract, which is due to a change of the circumstances affecting the implementation of the Contract, then any such modification of the Contract shall be formalized through an Addendum to the Contract. Such Addendum shall be prepared pursuant to terms of conditions and procedures set out in PRAG. The Addendum shall be signed by the Employer and the Contractor and shall not become effective before the DEU endorsement from the date set out therein. |

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| **Contract Price and Payment** |

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| **14.1** |  |
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| The Contract Price |  | ***At the end of the sub-paragraph (b) insert:***  i) The Contractor is exempted from VAT and from import duties and import taxes levied on import on Contract items of Goods into the Country in accordance with Serbian Law concerning the Fiscal Code;  ii) The Contractor shall prepare the necessary exemption and other documents in accordance with the Laws of the Country as well as further amendments and modifications, the requirements of customs and other legally constituted authorities, and any other reasonable requirements of the Employer. The Contractor shall be entirely responsible for the presentation of documentation in order to clear the Goods through the customs authorities, and shall be deemed to have been satisfied (before submitting the Tender) as to all relevant procedures.  All imported Goods, which are not incorporated in or expended in connection with the Works, shall be exported on completion of the Contract. If not exported, or if used in connection with other contracts, the Goods will be assessed for duties (as applicable to the Goods involved) in accordance with the Laws of the Country, and the Contractor shall pay such duties accordingly.  ***At the end of Sub-Clause 14.1 add:***  The Contract Price shall not include the taxes and duties under sub-paragraphs 14.1.(b) i) and 14.1.(b) ii), but shall be deemed to include all taxes, business taxes, duties, port dues, quay dues, and other charges that may be levied in accordance with laws and regulation in force at Base Date, imposed both outside and inside the Employer's Country on the Contractor's equipment, plant, materials, and supplies (whether permanent or temporary) acquired for the Contract, and on services performed under the Contract. This shall be deemed to include payments or compensation, if any, levied in relation to dumping of waste, debris and hazardous waste. |

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| **14.2** |  |
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| Advance Payment |  | ***At the end of first paragraph of Sub-Clause 14.2 insert:***  The Advance Payment Guarantee shall be issued by a bank or other financial institution approved by the Employer and shall be in form specified in tender documentation. |

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| **14.4** |  |
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| Schedule of Payment |  | ***In the last paragraph of Sub-Clause 14.4, delete the first sentence and replace with:***  The Contractor shall submit non-binding estimates of the payments which he expects to become due during each month together with an explanation of these amounts. The Contractor shall take note in the preparation of the schedule of the minimum amount of each interim payment as stipulated in the Appendix to Tender.  ***Replace in the last paragraph "42 days" with*** "28 days". |

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| **14.5** |  |
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| Plant and Materials intended for the works |  | ***Delete Sub-Clause 14.5 and replace with the following:***  Interim Payment Certificates may include, under sub-paragraph (e) of Sub-Clause 14.3 (i) an amount for Plant and Materials which have been sent to the Site for incorporation in the Permanent Works, and (ii) a reduction when the contract value of such Plant and Materials is included as part of the Permanent Works under sub-paragraph (a) of Sub-Clause 14.3 [Application for Interim Payment Certificates].  The Engineer shall determine and certify each addition if the following conditions are satisfied:   * The relevant Plant and Materials have been delivered to and are properly stored on the Site, are protected against loss, damage or deterioration, and appear to be in accordance with the Contract; * The Contractor has kept satisfactory records (including the orders, receipts, cost and use of Plant and Materials) which are available for inspection; * Submitted a statement of the Cost of acquiring and delivering the Plant and Materials to the Site, supported by satisfactory evidence.   The additional amount to be certified shall be the equivalent of sixty percent of the Engineer's determination of the cost of the Plant and Materials (including delivery to Site) taking account of the documents mentioned in this Sub-Clause and of the contract value of the Plant and Materials.  The following Payment Certificates shall include the applicable reduction which shall be equivalent to this additional amount for the relevant Plant and Materials. |

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| **14.7** |  |
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| Payment |  | ***Replace sub-paragraphs (a), (b) and (c) by the following paragraphs:***  “(a) the first instalment of the advance payment within 84 days after Employer receives the documents in accordance with Sub-Clause 4.2 [Performance Security] and Sub-Clause 14.2 [Advance Payment], whichever is later, and in line with the provisions of this Sub-Clause, second and third paragraphs above;  ***(***b) the amount certified by the Engineer in each interim Payment Certificate (passed for payment), within no more than 84 calendar days from the date on which the Engineer’s Certificate is received at the Employer’s office ,and in line with the provisions of this Sub-Clause, second and third paragraphs above;  (c) the amount certified by the Engineer in the Final Payment Certificate within 84 days after the Employer receives this Payment Certificate at the Employer’s office, and in line with the provisions of this Sub-Clause, second and third paragraphs above.”  ***Delete the last paragraph of Sub-Clause 14.7 and substitute with the following:***  “Payments due by the Employer shall be made to the bank account mentioned on the financial identification form completed by the Contractor. The same form, annexed to the payment request, must be used to report changes of bank account.  **At the end of Sub-Clause add:**  Sums due shall be paid within no more than 84 calendar days from the date on which an admissible payment request is registered at the Employer’s office. The date of payment shall be the date on which the Employer’s account is debited. The payment request shall not be admissible if one or more essential requirements are not met.  The 84-day period may be suspended by notifying the Contractor that the payment request cannot be fulfilled because the sum is not due, because appropriate substantiating documents have not been provided or because there is evidence that the expenditure might not be eligible. In the latter case, an inspection may be carried out on the spot for the purpose of further checks. The Contractor shall provide clarifications, modifications or further information within 14 days of being asked to do so. The payment period shall continue to run from the date on which a properly drawn-up payment request is registered at the Employer’s office.” |

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| **14.8** |  |
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| Delayed Payment |  | ***Delete the second paragraph of the Sub-Clause 14.8 and substitute with the following:***  These financing charges shall be calculated at the rate applied by the European Central Bank to its main refinancing transactions in Euro, as published each month in the Official Journal of the European Union, C series, on the first day of the month in which the deadline expired, plus three and a half percentage points, and shall be paid in Euro. The late payment interest shall apply to the time which elapses between the date of the payment deadline and the date on which the Employer’s account is debited. |

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| **14.9** |  |
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| Payment of Retention Money |  | ***At the end of Sub-Clause 14.9 add:***  “When the Engineer has issued a Taking-Over certificate for each Section of the Works, and prior to submission of the next interim payment certificate, the Contractor shall provide a Retention Money Bank Guarantee, in the form included in the contract, as a surety for the second half of the Retention Money for each Section of the Works, held for the rectification of defects arising during the DNP and the completion of any remaining work to be executed under Clause 11 [Defects Liability] or Clause 12 [Tests after Completion]. The Retention Money Guarantee shall be issued by a bank or other financial institution approved by the Employer.  The Employer shall return the Retention Money Guarantee to the Contractor within 60 days after receiving a copy of the Performance Certificate for that section.”  ***In Sub-Clause 14.9. delete the fourth paragraph and insert the text.***  “Retention Money shall apply to each Section.  **Alternatively:**  Any time before issuing Taking-Over Certificate the Retention Money will be certified for payment after the Contractor shall provide a Retention Money Bank Guarantee. In such case, the Engineer shall certify, and the Employer shall make payment to the Contractor of the amounts related to Retention Money, after he obtains such guarantee. The Retention Money Guarantee shall be issued by a bank or other financial institution approved by the Employer, in amounts equal to the payments to be made. The Contractor shall ensure that the guarantee is valid and enforceable until the Contractor has executed and completed the Works and remedied any defects, as specified for the Performance Security in Sub-Clause 4.2. The release of the guarantee shall be in lieu of the release of the second half of the Retention Money under the second paragraph of Sub-Clause 14.9, while the Contractor shall be entitled, when the Taking-Over Certificate has been issued for the Works, to a reduction of the amount of the bank guarantee corresponding with the first half of the Retention Money.  If any of the parties wishes to use the above defined alternative, the party must announce the use of the alternative at least 54 days in advance. Otherwise the alternative shall not be applicable to this contract. |

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| **Termination by Employer** |

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| **15.2** |  |
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| Termination by Employer |  | ***After sub-paragraph (f) (ii) insert new sub-paragraph:***  (g) in the judgement of the Employer has engaged in corrupt or fraudulent practices in competing for or in executing the Contract. For the purpose of this sub-paragraph:  - "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official, or the threatening of injury to person, property or reputation, in connection with the procurement process or in contract execution in order to obtain or retain business or other improper advantage in the conduct of business; and  - "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the client, and includes collusive practices among tenderers (prior to or after Tender submission) designed to establish Tender prices at artificial, non-competitive levels and to deprive the client of the benefits of free and open competition.  (h) fails to comply with Sub-Clause 4.27 |

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| **15.6** |  |
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| Anti-Corruption |  | ***Add new Sub-Clause 15.6***  No offer, payment, consideration, or benefit of any kind, which constitutes illegal or corrupt practices, shall be made, either directly or indirectly, as an inducement or reward in relation to the tendering, award and execution of the Contract.  Any such practice will be grounds for immediate termination under Sub-Clause 15.2 [Termination by Employer] and for such additional actions (civil and/or criminal) as may be appropriate. |

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| **Termination by Contractor** |

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| **16.2** |  |
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| Termination by Contractor |  | ***In sub-paragraph (c) of Sub-Clause 16.2 substitute “42”* with** “84”  ***Delete 2nd paragraph of Sub-Clause 16.2 and substitute with:***  In any of these events or circumstances, the Contractor may upon giving 28 days’ notice, to the Employer, terminate the Contract. |

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| **Insurance** |

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| **18.1** |  |
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| General Requirements for Insurance |  | ***At the end of the second paragraph of Sub-Clause 18.1 insert following paragraph:***  The Contractor shall be insuring party. The Contractor is responsible for effecting and maintaining the insurance specified in the relevant Sub-Clause. |

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| **18.2** |  |
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| General Requirements for Insurance |  | ***In the fourth paragraph, sub-paragraph (d) after "Employer"*** ***insert*** "or the End Recipient and/or the Final Beneficiary".  ***At the end of Sub-Clause 18.2 add:***  It shall be the responsibility of the Contractor to notify the insurance company of any change in the nature, extent or programme for the execution of the Works and to ensure adequacy of the insurance coverage at all times during the period of the Contract. |

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| **18.3** |  |
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| Insurance Against Injury to Persons and Damage to Property |  | ***In third paragraph, sub-paragraph (d) (i): After "Employer's" insert*** "and/or the End Recipient's and/or the Final Beneficiary's"  ***At the end of the first paragraph of Sub-Clause 18.3 add:***  Insurance shall include cover against liability to third parties arising from accidents in the Country involving vehicles supplied by the Contractor and used by the Employer, the End Recipient and/or the Final Beneficiary, the Contractor or the Engineer under the Contract. |

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| **18.4** |  |
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| Insurance for Contractor's Personnel |  | ***In second paragraph, third line after "Employer" insert*** "or the End Recipient and/or the Final Beneficiary or of the Employer's or the End Recipient's and/or the Final Beneficiary's Personnel". |

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| **18.5** |  |
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| **Claims, Disputes and Arbitration** |

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| **20.2** |  |
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| Appointment of the Dispute Adjudication Board |  | ***At the end of Sub-Clause 20.2 add:***  If each of the parties in the dispute is from Serbia, the parties may agree to a Dispute Adjudication Board in Serbia comprising Serbian Adjudicators, using the Serbian language. |

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| **20.6** |  |
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| Arbitration |  | ***At the beginning of Sub-Clause 20.6, insert the following text***  *Any dispute arising from or in relation to this contract, including the conclusion, interpretation, performance or termination thereof shall be settled by the Serbian courts of law having jurisdiction. Should the Serbian legislation in force at the time of dispute allow the settlement of such disputes in arbitration, parties are not prevented from unanimously deciding, during the pre-dispute negotiation, to enter into an arbitration agreement, choosing the settlement of the dispute by*arbitration and not by the courts of law.”   1. For Interim and Final Payment Certificates, the final judgement must be attached and be in the language of the contract (legal translation required if judgement is not in the language of the contract).   ***In Sub-Clause 20.6 delete first paragraph including sub-paragraphs (a) (b) and (c) and insert the following text:***  Where Arbitration is unanimously decided by both parties:   1. the dispute shall be finally settled under the Rules of the Foreign Trade Court of Arbitration attached to the Chamber of Commerce and Industry in Serbia, in Belgrade.   (b) For Interim and Final Payment Certificates, the final settlement must be attached and be in the language of the contract (legal translation required if settlement is not in the language of the contract). |

***Add new Clause 21: Ethics Clauses***

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| **Ethics Clauses** |

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| **21.1** |  |
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| General Requirements |  | ***Add new Sub-Clause 21.1***  The effect of the terms of this Clause 21 shall be included by the Contractor in all subcontracts he enters into under this Contract. |

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| **21.2** |  |
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| Conflict of Interest |  | ***Add new Sub-Clause 21.2***  a. The Contractor shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of the contract. Such conflict of interests may arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest. Any conflict of interests which may arise during performance of the contract must be notified to the Contracting Authority without delay. In the event of such conflict, the Contractor shall immediately take all necessary steps to resolve it.  b. The Contracting Authority reserves the right to verify that such measures are adequate and may require additional measures to be taken if necessary. The Contractor shall ensure that its staff, including its management, is not placed in a situation which could give rise to conflict of interests. Without prejudice to its obligation under the contract the Contractor shall replace, immediately and without compensation from the Contracting Authority, any member of its staff exposed to such a situation.  c. The Contractor shall refrain from any contact which would compromise its independence or that of its personnel.  d. The Contractor shall limit its role in connection with the project to the provision of the Works described in the contract.  e. The Contractor and anyone working under its authority or control in the performance of the contract or on any other activity shall be excluded from access to other EU budget/EDF funds available under the same project. However, if the Contractor is able to prove that his involvement in a previous stages of the project does not constitute unfair competition, he may participate, subject to the prior approval of the Contracting Authority.” |

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| **21.3** |  |
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| Code of Conduct |  | ***Add new Sub-Clause 21.3***  a. The Contractor must at all times act impartially and as a faithful adviser in accordance with the code of conduct of its profession. It shall refrain from making public statements about the project or services without the Contracting Authority's prior approval. It shall not commit the Contracting Authority in any way whatsoever without its prior consent and shall make this obligation clear to third parties. Physical abuse or punishment, or threats of physical abuse, sexual abuse or exploitation, harassment and verbal abuse, as well as other forms of intimidation shall be prohibited. |

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|  |  | The contractor shall also provide to inform the Contracting Authority of any breach of ethical standards or code of conduct as set in the present Article. In case the contractor is aware of any violations of the abovementioned standards he shall report in writing within 30 days to the Contracting Authority.  b. The Contractor and its staff shall respect human rights. For the duration of the contract, the Contractor and his staff must respect human rights and undertake not to violate the political, cultural and religious mores of the Country.  c. The Contractor shall respect environmental legislation applicable in the Republic of Serbia in which the Works are executed and internationally agreed core labour standards, i.e. the ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination in respect of employment and occupation, and the abolition of child labour, as well as applicable obligations established by these Conventions:  • Vienna Convention for the protection of the Ozone Layer and its Montreal Protocol on substances that deplete the Ozone Layer;  • Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention);  • Stockholm Convention on Persistent Organic Pollutants (Stockholm POPs Convention);  • Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (UNEP/FAO) (The PIC Convention) Rotterdam, 10 September 1998, and its 3 regional Protocols.  d. The Contractor or any of its sub-contractors, agents or personnel shall not abuse of its entrusted power for private gain. The Contractor or any of its sub-contractors, agents or personnel shall not receive or agree to receive from any person or offer or agree to give to any person or procure for any person, gift, gratuity, commission or consideration of any kind as an inducement or reward for performing or refraining from any act relating to the performance of the contract or for showing favour or disfavour to any person in relation to the contract. The Contractor shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption.  e. The payments to the Contractor under the contract shall constitute the only income or benefit it may derive in connection with the contract. The Contractor and its staff must not exercise any activity or receive any advantage inconsistent with their obligations under the contract.  f. The execution of the contract shall not give rise to unusual commercial expenses. Unusual commercial expenses are commissions not mentioned in the contract or not stemming from a properly concluded contract referring to the contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a recipient who is not clearly identified or commission paid to a company which has every appearance of being a front company. The European Commission may carry out documentary or on-the-spot checks it deems necessary to find evidence in case of suspected unusual commercial expenses.The respect of the code of conduct set out in the present Sub-Clause constitutes a contractual obligation. Failure to comply with the code of conduct is always deemed to be a breach of the contract under Sub-Clause 15.2 of the General Conditions. In addition, failure to comply with the provision set out in the present Sub-Clause can be qualified as grave professional misconduct that may lead either to suspension or termination of the contract, without prejudice to the application of administrative sanctions including exclusion from participation in future contract award procedures.  g. The Contractor and his staff are obliged to maintain professional secrecy for the entire duration of the Contract and after its completion. This Contract and all reports and documents drawn up or received by the Contractor in respect of this Contract are confidential except to the extent that the Contractor has passed the same to his Subcontractors or potential Subcontractors. |

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| **21.4** |  |
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| Corrupt Practice |  | ***Add new Sub-Clause 21.4***  The Commission of the European Communities reserves the right to suspend or cancel project financing if corrupt practices of any kind are discovered at any stage of the award process and if the Employer fails to take all appropriate measures to remedy the situation. For the purposes of this provision, "corrupt practices" are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or implementation of a contract already concluded with the Employer. |

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| **21.5** |  |
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| Supporting Evidence |  | ***Add new Sub-Clause 21.5***  The Contractor undertakes to provide the Commission of the European Communities on request with supporting evidence regarding the way in which the contract is being executed. The Commission may carry out whatever documentary or on-the-spot checks it deems necessary to find evidence in cases of suspected unusual commercial expenses. |

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| **21.6** |  |
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| Failure to Comply with Ethics Clauses |  | ***Add new Sub-Clause 21.6***  Failure to comply with one or more of these ethics clauses may result in the termination of this Contract, the termination of their Contracts financed, or part financed from EU funds and the exclusion of the Contractor from other EU financed contracts. The individual or company in question must be informed on the fact in writing. |

***Add new Clause 22: Checks and Audits by Community Bodies***

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| **Checks and Audits by Community Bodies** |

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| **22.1** |  |
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| Checks and Audits by European Union Bodies |  | ***Add new Sub-Clause 22.1***  "The Contractor will allow the European Commission, the European Anti-Fraud Office and European Court of Auditors to verify, by examining the documents and to make copies thereof or by means of on-the-spot checks, including checks of original documents, the implementation of the contract. In order to carry out these verifications and audits, the EU bodies mentioned above shall be allowed to conduct a full audit, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the project. The Contractor shall ensure that on-the-spot accesses is available at all reasonable times, notably at the Contractor's offices, to its computer data, to its accounting data and to all the information needed to carry out the audits, including information on individual salaries of persons involved in the project. The Contractor shall ensure that the information is readily available at the moment of the audit and, if so requested, that data be handed over in an appropriate form. These inspections may take place up to 7 years after the final payment." |

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| **22.2** |  |
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| European Anti-Fraud Office |  | ***Add new Sub-Clause 22.2***  The Contractor will allow the European Anti-Fraud Office to carry out checks and verification on the spot in accordance with the procedures set out in the European Community legislation for the protection of the financial interests of the European Communities against fraud and other irregularities. |

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| **22.3** |  |
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| Access to Staff or Agents of the European Commission |  | ***Add new Sub-Clause 22.3***  "In relation to Sub-Clause 22.2 [Checks and Audits by Community Bodies], the Contractor undertakes to give appropriate access to staff or agents of the European Commission, of the European Anti-Fraud Office and of the European Court of Auditors to the sites and locations at which the Contract is carried out, including its information systems, as well as all documents and databases concerning the technical and financial management of the project and to take all steps to facilitate their work. Access given to agents of the European Commission, European Anti-Fraud Office and the European Court of Auditors shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject. Documents must be easily accessible and filed so as to facilitate their examination and the Contractor must inform Employer of their precise location." |

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| **22.4** |  |
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| Guarantee of Rights of European Commission |  | ***Add new Sub-Clause 22.4***  "The Contractor guarantees that the rights of the European Commission, of the European Anti-Fraud Office and of the European Court of Auditors to carry out audits, checks and verification will be equally applicable, under the same conditions and according to the same rules as those set out in this Article, to any sub-contractor or any other party benefiting from EC funds." |

***Add new Clause 23: Data Protection***

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| **Data Protection** |

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| **23** |  |
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| Data Protection |  | 1) Any personal data included in the contract shall be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. The data shall be processed solely for the purposes of the performance, management and monitoring of the contract by the contracting authority without prejudice to possible transmission to the bodies charged with monitoring or inspection in application of EU law. The Contractor shall have the right to access his/her personal data and to rectify any such data. Should the contractor have any queries concerning the processing of his/her personal data, s/he shall address them to the contracting authority. The Contractor shall have right of recourse at any time to the European Data Protection Supervisor.  2) Where the contract requires processing personal data, the Contractor may act only under the supervision of the data controller, in particular with regard to the purposes of processing, the categories of data which may be processed, the recipients of the data, and the means by which the data subject may exercise his/her rights.  3) The data shall be confidential within the meaning of Regulation (EC) No 45/2001 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by Community institutions and bodies and on the free movement of such data. The Contractor shall limit access to the data to staff strictly needed to perform, manage and monitor the contract.  4) The Contractor undertakes to adopt technical and organisational security measures to address the risks inherent in processing and the nature of the personal data concerned in order to:  a) prevent any unauthorised person from having access to computer systems processing personal data, and especially:  i) unauthorised reading, copying, alteration or removal of storage media;  ii) unauthorised data input, unauthorised disclosure, alteration or erasure of stored personal data;  iii) unauthorised persons from using data-processing systems by means of data transmission facilities;  b) ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;  c) record which personal data have been communicated, when and to whom;  d) ensure that personal data processed on behalf of third parties can be processed only in the manner prescribed by the contracting institution or body;  e) ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;  f) design its organisational structure in such a way that it meets data protection requirements |

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